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THOMAS ALVA EDISON
Symbol of Modern America

A SHORT HISTORY OF THE AMERICAN PEOPLE

Volume II (1866=1947)

By

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and

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D. VAN NOSTRAND COMPANY, INC.

TORONTO

NEW YORK

LONDON

NEW YORK

D. Van Nostrand Company, Inc., 250 Fourth Avenue, New York 3

TORONTO

D. Van Nostrand Company (Canada), Ltd., 228 Bloor Street, Toronto 8

LONDON

Macmillan & Company, Ltd., St. Martin's Street, London, W.C. 2

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PRINTED IN THE UNITED STATES OF AMERICA

*To the Memory
of a great man and teacher*

GEORGE PETRIE

*late Graduate Dean and Professor of History
at the Alabama Polytechnic Institute*

Preface

IN writing the second volume of this text, which covers the period since 1865, we have followed in general the pattern employed in the first volume.

Without attempting to relate all important events, we have usually presented those which seemed to illustrate or characterize best the trends in the social, economic, and political evolution of the people of the United States. By thus concentrating on what was judged to be the more pertinent matter, much greater elaboration was made possible than would have otherwise been the case.

As in the preceding volume we have constantly striven to present the history of the period as a narrative, in which social, economic, and political forces—all closely related and interdependent—move in the same direction along a broad front. Of course it has not been possible to observe complete chronology in dealing with social, economic, and political trends that march simultaneously—although in the same direction. The method employed is to deal chronologically with social and economic developments during a given period and to follow this with a political narrative covering the same period. Frequent cross references have been made throughout the text so as to keep the student reminded of the correlation between the various social, economic, and political forces.

Attention is called to some of the aids to study and teaching employed in both volumes. Each chapter is usually divided into sub-topics, and each paragraph “briefed” on the margin. This arrangement should be useful to the student in the preparation of lessons and in reviewing for examination; and the instructor should find it a convenient guide to class discussions. A copious bibliography, placed just before the appendix, has been prepared for each chapter. Last, but not least, frequent use has been made of contemporary illustrations and cartoons to give point to the matter under discussion.

Acknowledgments

SINCE this is a joint undertaking, it should not be amiss for the authors to express their gratitude, one to the other, for the mutual assistance rendered. Each has read the manuscript, galley, and the page proof of the others; and each has criticized, revised, and sometimes rewritten portions of the others' handiwork. This has reduced the margin of error—it is hoped—and at the same time it has effected a greater uniformity of treatment and style.

We are indebted to Professors Henry Lee Swint and Dan M. Robison of the History Department of Vanderbilt University, and to Professors John B. Walters and Gordon T. Chappell respectively of the History Departments of Emory and Henry College and Huntingdon College for reading sections of the proof.

It is impossible, of course, to express the extent of our indebtedness to those members of our families who have aided in the preparation of this work. Mrs. Agnes Cady Chitwood and Mrs. Harriet Chappell Owsley have read the manuscript, galley, and page proof, and have made vital criticisms and corrections. Mrs. Owsley prepared the index. Nicholas Nixon read sections of both the galley and the page proof and made valuable criticisms.

Finally, we wish to express our appreciation to the proprietors and editors of the newspapers and magazines who so generously placed their cartoons and illustrations at our disposal. Special mention should be made of *Harper's Weekly* with its caricatures of Nast and his colleagues, and the *St. Louis Post Dispatch* with the timely and keen-edged cartoons of D. R. Fitzpatrick. We also appreciate the courtesy of Thomas Y. Crowell Company in allowing us to use in Chapters XXIII and XXIV excerpts from O. P. Chitwood's *THE IMMEDIATE CAUSES OF THE GREAT WAR*.

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PART I

The Era of Reconstruction

CHAPTER I

Presidential Reconstruction

THE SOUTH AT THE CLOSE OF THE WAR

IT is virtually a law of history that an enduring peace settlement cannot be made unless it is acceptable to the defeated people as well as the victorious. In the long run the terms of peace imposed upon the South by reconstruction would have to be acceptable to the defeated section or eventually the work would be undone. Hence, in planning a policy of reconstruction, Northern leaders, thinking in terms of the future, needed to understand Southern attitudes, and the social, economic, and political conditions back of these attitudes. Such a statesmanlike approach certainly would have discarded revenge upon the defeated section as one of the basic motives of reconstruction.

An enduring peace settlement must be acceptable to both victor and vanquished

Let us, therefore, begin with those matters in the South that needed to be considered in any successful reconstruction. When the Southern armies laid down their arms, they did so because of military defeat, not because they repudiated the principles for which they had taken up arms; nor is there any doubt that the civil population shared this attitude of the soldiery. Yet when the South laid down its arms, it did so in good faith with no intention of ever taking them up again at a more favorable moment.

The Southerners, although accepting defeat as final, did not repudiate their cause

The Southerners did not meet with brass bands those Northerners who came to the South, in the wake of the invading armies, to seek their fortunes or to bring a "sinful people" to repentance and "Christianize" the ex-slave. To the Southerners the carpetbagger and the missionary schoolteacher and preacher were indeed a cross to bear and one that became unbearable. On the other hand, Northern men of capital or skilled laborers who came South to become permanent citizens and to identify themselves with the community in which they lived were welcomed; indeed such Northerners were implored to come South to aid in rebuilding the country. Until a Northerner's purpose in coming South could be fathomed, however, it was, of course, inevitable that he should be regarded with the cold eye of suspicion based upon all too much experience with carpetbaggers, missionaries, and petty agents of the government, particularly those of the Freedmen's Bureau.

Southern attitude toward Northerners who came South

*Southern
attitude
toward the
ex-slave*

The attitude of the Southern people toward the ex-slave was one which, above all others, needed to be understood. Southerners, although accepting the freedom of the slave in good faith, had not changed their opinion of the Negro as a result of defeat. The ex-slave belonged to a race regarded as socially and politically immature. But the Southern white people who had owned slaves or who had been associated in some capacity with them regarded the Negro with much affection, and held in high esteem the judgment and character of those who had been connected with the household or had held responsible subordinate managerial positions. With reference to the mass of ex-slaves, however, the Southern people who had associated with the Negroes as a rule looked upon them as minors who had not yet acquired the judgment and experience necessary for the independent existence of an adult. It was naturally assumed, therefore, that the freedmen would need much tutelage, and that their former masters and friends would be the tutors.

*Influence of
Southern
leaders:
Lee's
example*

Another matter that the Northern reconstructionist should have pondered was the decisive influence of the Southern political and military leaders in bringing the South to accept defeat and its results, with no thought of biding their time for a better day. In disbanding the armies, the generals and even minor officers urged the soldiers to return home, live in peace, try to forget the bitterness of the past, and become loyal and useful citizens of the United States. The example of General Lee was typical of Southern leadership everywhere. Lee, in order to set an example for his bitter and sad young followers, applied to President Andrew Johnson for amnesty and restoration of his citizenship. Although his request was not granted, and Lee died virtually an alien in his native state, the ex-Confederate leader never ceased his efforts at binding up the wounds inflicted by the war of the sections. Unceasingly he urged peace and harmony and the resumption of citizenship in the United States.

All [he said] should unite in honest effort to obliterate the effects of war, and to restore the blessings of peace. . . . The war being at an end, the Southern States having laid down their arms, and the question at issue between them and the Northern States having been decided, I believe it to be the duty of everyone to unite in the restoration of the country, and the reestablishment of peace and harmony.

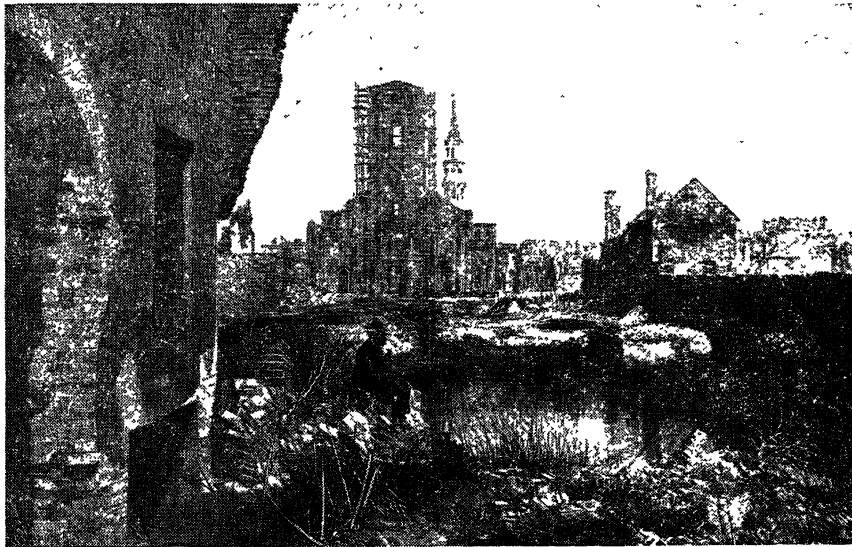
As president of Washington College he continued his friendly and earnest counsel.

I have [he said] a self imposed task, which I must accomplish. I have led the young men of the South in battle; I have seen many

of them fall under my standard. I shall devote all my life now to training young men to do their duty in life.

Those who proposed to reconstruct the South needed to know and make known to the Northern public the destitution and desolation of the South. It is scarcely possible today for the American people, particularly those of the North, to comprehend this destitu-

The destitution of the South



Harper's Weekly, July 8, 1865

RUINS IN THE HEART OF CHARLESTON.
(Photograph by George N. Barnard.)
View from King Street.

tion and desolation. Perhaps the nearest approach in recent years to the situation in the South could have been found in Poland, Russia, Greece, and Jugoslavia during the Second World War, where conflagration, bullets, and starvation set defenseless women, children, and old men upon the roads, and left the bulk of young men maimed or dead. The destruction by Sherman, Sheridan, and others has been noted. Such devastation brought a large part of the white population of the South and hundreds of thousands of Negroes to the point of starvation. In Georgia, Alabama, and Mississippi alone, according to W. L. Fleming, 500,000 people in the fall of 1865 were without the necessities of life and there was actual starvation.¹ In South Carolina, Northern Virginia, and the Valley of Virginia, the situation was equally as bad if not worse.

¹ W. L. Fleming, *The Sequel of Appomattox* (Yale Univ. Press, 1919), 14.

The returning soldiers found it difficult if not impossible to obtain seed corn to plant, or farm tools and horses with which to cultivate it in case they found the corn. Cases were recorded where men hitched themselves to the plow while their wives and small children helped guide it. Swine and poultry had been killed by the invaders or eaten by the starving population. Most of the railroads were torn up or worn out and the river steamers had been captured or burned by the Federals. There was no money, no credit, and no local accumulation of goods to be purchased when credit could be obtained. Because about half the white men between the ages of eighteen and thirty-five had been killed or badly wounded, there was a serious lack of man power with which to carry on the farming and ordinary business of the South.

*The conduct
of the
freedman*

The behavior of the freedmen should have been understood by those who reconstructed the South. As soon as the Negroes learned that they were free, they quite naturally but unwisely went on a prolonged vacation. They neglected their crops, and the younger and more vigorous ones deserted their farms and gravitated to the towns, Federal garrisons, and the Freedmen's Bureau, where they were given free meals and advice as to their future relationship with the Southern white people. Many of them abandoned their children and their old parents, and often carried with them whatever was left of the farm work stock. Unaccustomed to such freedom of movement the Negroes spent their days and nights in lounging about town. Many drank quantities of hard liquor, indulged in rowdy parades in which white people were frequently pushed from the sidewalk, and took from barns and smokehouses whatever happened to be there. However, there was at first no great amount of crime against the person of the Southern whites; but it was generally recognized that the Negroes under the influences just described were gradually being worked into a dangerous frenzy like the Indian braves at the war dance.

*Lincoln's
plan based
on an
understanding
of Southern
conditions*

President Lincoln planned a restoration or reconstruction that was based upon an understanding of the Southern people and Southern conditions. His plan was acceptable to both the victor and the vanquished; but even had he lived he probably could never have carried out his plan without modifications in the face of the opposition of the vindictive and uncompromising Radicals.

LINCOLN'S PLAN OF RECONSTRUCTION

*Lincoln's
twofold
purpose*

From the very beginning of the war, reconstruction or the restoration of the seceded states occupied the attention of President Lincoln

and Congress. The President's earlier attempts at reconstruction always had the twofold purpose of aiding in the defeat of the South and of "restoring" the inhabitants of the reconstructed areas as citizens of the United States.

The problem of reconstruction first appeared in connection with the establishment of the State of West Virginia. Perhaps a majority of the people of western Virginia were opposed to secession; and they had strong grievances against the older part of Virginia, particularly the tidewater section that exercised political power out of proportion to its population. This internal sectionalism brought about the immediate separation of western from eastern Virginia as soon as Virginia seceded from the Union. In a convention held on June 11, 1861, the counties west of the mountains and the portion of the county around Alexandria occupied by the Union forces declared themselves "Virginia." This reconstructed Virginia, guided by the Federal government, elected F. H. Pierpoint,¹ Governor, filled the other state offices, and elected two United States Senators. The "Virginia" legislature, composed of members from the counties west of the mountains and the Alexandria district on the east side, submitted the question of separating to the western counties. It was favorably acted upon, and the "Virginia" legislature, which was in reality, as can be plainly seen, the legislature of western Virginia, gave its consent in the name of Virginia to the separation of western Virginia to form the State of West Virginia. Congress then passed a law on December 31, 1862, providing for the admission of West Virginia into the Union; and on June 30, 1863, the new commonwealth was formally recognized as a full fledged member of the Federal Union.

The establishment of West Virginia

The Pierpoint government, calling itself "Virginia," was now left with a small tract of land in and about Alexandria; but it had a state legislature, state officers, and two Senators and was recognized by the Federal government as the State of Virginia. This was Lincoln's first reconstructed state. According to his slowly evolving theory of reconstruction, the Pierpoint government would form a nucleus about which the disillusioned and defeated people of Virginia would rally until it really did become Virginia. But Lincoln and Pierpoint were both disappointed, for there was very little rallying about the banner of the South's first "scalawag"² governor.

The Pierpoint government of Virginia

In 1862 portions of Tennessee, Arkansas, and Louisiana had been

¹ Later changed to "Pierpont."

² "Scalawag" originally meant a scaly sheep; and during reconstruction the native Southerners who collaborated with the Radicals were scornfully called scalawags by the other Southern whites.

*Military
governors*

occupied by the Federal armies, and the problem of governing the people within those areas became pressing. President Lincoln at first appointed military governors, the most notable of whom was Andrew Johnson, United States Senator from Tennessee at the outbreak of the war, who had refused to go with his state. The records of the military governors were, however, characterized neither by justice nor fair dealing, and the President was not slow in realizing that they would never be a magnet to attract "repentant" or disillusioned rebels.

*The
Proclamation
of Amnesty
and Recon-
struction*

On December 8, 1863, when there was great discouragement in the South over the Vicksburg and Gettysburg disasters, and reasonable prospects of many Southerners returning to their former allegiance to the Union, Lincoln took another step in the direction of winning back sufficient Southerners to form the basis of government in the occupied states. He issued a proclamation setting forth plans for a permanent reconstruction. In this proclamation he proposed by the use of his pardoning power to create a "loyal" body of citizens. This loyal electorate would then proceed to reorganize the state, subject to certain conditions. Specifically, the terms of the Proclamation of Amnesty and Reconstruction of December 8, 1863, were as follows:

1. All except certain classes of Southerners would be granted pardon for "rebellion" against the Union by taking the oath of allegiance to the United States and accepting the laws and proclamations respecting slavery.
2. The classes excepted from the general pardon or amnesty were: the officers of the Confederate army and navy above the rank of colonel and lieutenant, respectively; civil officers of the Confederate government; former Federal judges, Congressmen, and naval and army officers who had resigned their offices to aid the Confederacy; and those who were accused of refusing to treat captured Negro soldiers and their officers as prisoners of war.
3. When the number taking the oath of allegiance in a state equaled ten per cent of those who had voted in 1860, that state would be qualified to establish a "loyal" government, which the President would recognize and support as the legal government of the state.

*The ten
per cent
basis and
the exclusion
of Confederate
leaders, not
permanent
features*

Lincoln was always careful to let it be known that he could not guarantee that Congress would accept the Representatives and Senators from such states.

The ten per cent basis of reconstruction and the exclusion of the Confederate leaders from the general amnesty were primarily war measures, intended to aid the prosecution of the war. They would be practically meaningless once the war was over. The ten per cent measure, as has been said, was intended to furnish a "loyal" nucleus

about which others might rally as they became convinced that the Confederacy could not win. It would, so the President hoped, undermine the Confederacy and thus contribute to its downfall. It was also thought that the exclusion of the important leaders from the general amnesty would help divide the rank and file from those who, Lincoln always mistakenly believed, were deluding them.

Just as in Virginia, "reconstructed" governments were established in the occupied portions of Arkansas, Louisiana, and Tennessee. They signally failed as war measures. The mass of people in the "reconstructed" states had no respect for men who would accept office from the invader. They continued to follow their chosen leaders until they were defeated.

Reconstruction a failure as a war measure

As a measure to be put into effect after the war, Lincoln's plan of reconstruction is another matter; and it is in this light that we must view it, for Lincoln planned to restore the South to the Union upon the basis of the proclamation of 1863.

Lincoln's plan as a peace measure

Lincoln's assumption of the duty of reconstructing the Southern states was logically derived from the constitutional theory upon which the North had waged war against the South—namely, that secession had been illegal and void and that, therefore, the Southern states were still states in the Union. If the Southern states had, in spite of secession, continued as states within the Union, then the qualified citizens of those states had the constitutional right and duty to organize their own government. But, according to Lincoln's theory, the majority of people in the Southern states had committed treason and were, consequently, not qualified to participate in organizing the new government. It was necessary, therefore, for the President to create, by his pardoning power, a "loyal electorate"; and Lincoln proposed to do this by the amnesty provisions of his proclamation of December 8, 1863. Once the people had again become "loyal" citizens of the United States by accepting the amnesty or pardon and by taking the oath of allegiance, the next logical step in the Presidential plan of reconstruction was for these citizens to re-establish the governments of their respective states. This would, according to the usual procedure in setting up a new state government, involve three steps: first, the election of a constitutional convention; second, the adoption of the constitution drawn up by this convention; and third, the election of state and Federal officers under the new state constitution.

The constitutional basis of Lincoln's plan

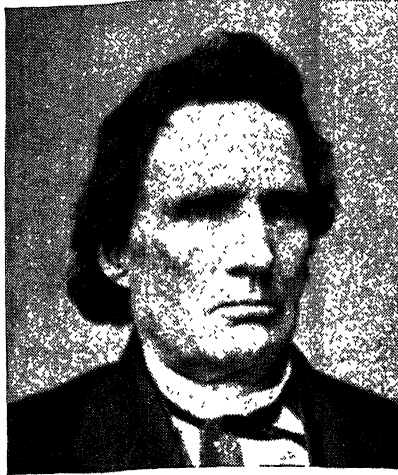
When Lincoln undertook the duty of reconstructing the South he was not merely fulfilling what he considered the constitutional responsibility of the President. More than anything else he was striving to prevent the reconstruction of the South from falling into

*Lincoln
wished to
keep recon-
struction out
of Radical
hands*

the hands of the implacable Radicals in Congress, those Radicals who had so often forced their will upon the President during the war. This desire was based in part upon his belief that Radical reconstruction would fail to restore the peace; and would further embitter and alienate the South. He also feared that the execution of the Radical program would permanently endanger the principles of free

government and personal liberty in both North and South. Finally, the plans of the Radicals outraged his sense of justice, humanity, and honor.

*Stevens' and
Sumner's
theories of
reconstruction*



Photograph by National Archives, Washington.

THADDEUS STEVENS.

The Radicals, many of whom had been abolitionists, were led in the House of Representatives by Thaddeus Stevens of Pennsylvania, and in the Senate by Charles Sumner of Massachusetts. Stevens was the most powerful parliamentary leader of his day. His withering sarcasm and stinging repartee have probably not been equaled by any public man in American history except John Randolph of Roanoke. Stevens burned with a desire for revenge

upon the South, and, if his words can be taken at anything like their face value, he desired the execution of the Confederate leaders. At times he even talked of annihilating the entire white population and resettling the South. He contended that the Southern states were conquered provinces at the mercy of the conquerors, and that the Federal Constitution, therefore, gave no protection to the Southern white people.

Sumner, on the other hand, prided himself upon his God-like detachment from human passion. He conceived of his actions as deriving from purely intellectual processes. He was, therefore, coldly self-righteous and intolerant. He had his mind made up and he never seemed to change it. He proposed by legislative enactment immediately to make the Negro ex-slaves the political, social, and legal equals of the Southern whites; and he would do this regardless of result or of the realities of the situation. In order that he might bring the Southern states under the jurisdiction of Congress rather than the President, he contended that the Southern states had committed suicide as states by the acts of secession and war, and that in doing

so they had reverted to the status of unorganized Federal territories subject to congressional control. Sumner had thus reached the same practical conclusion as Stevens.

Lincoln had no great social experiment in contemplation. He proposed to free the slaves and require the Southern states to renounce the principle of secession and to restore the Union as nearly like it had been as possible. He was neither a great philanthropist nor economist, nor the representative of the great business interests. He was the embodiment, rather, of the simpler forms of American society as he had known them in the country and rural towns of Kentucky, Indiana, and Illinois.

If Lincoln wished to keep the reconstruction of the South out of the control of the Radicals, they were just as determined to place it in the hands of Congress where they were powerful and were soon to dominate. No sooner had the President issued his Proclamation of Amnesty and Reconstruction on December 8, 1863, than Congress prepared to offer its own plan of reconstruction as a substitute for that of Lincoln. This plan was finally approved by Congress on July 2, 1864, and was known as the Wade-Davis bill, because Henry Winter Davis of Maryland was chairman of the committee in the House that framed the bill in its original form, and Benjamin Wade of Ohio sponsored the bill in the Senate. According to its terms, no state could be permanently reconstructed until the end of the war; but all "recovered" states or parts of states were to be administered by provisional governors. At the end of the war reconstruction might be begun in a state as soon as fifty per cent of the male white citizens had taken the oath of allegiance. The provisional governor would then have all qualified voters registered for the purpose of electing a constitutional convention. None could vote for the constitutional convention who had held office in a Confederate state or Confederate government, or who had borne arms against the Union. This provision contains much of the essence of later Radical reconstruction legislation; for it virtually disfranchised the Southern white people. Only one basic feature was lacking: it did not enfranchise the Negro, although the leading Radicals were fully determined to do this as soon as possible. The constitution to be amended or framed in the state convention must contain a provision which disfranchised and excluded from holding any important state office, ex-Confederate civil officers save those of minor rank, all ex-Confederate military officers above colonel, and naval officers above lieutenant. These were virtually the same classes excluded from general amnesty and pardon in Lincoln's proclamation of December 8, 1863. Under the Lincoln plan, however, those who had been excluded from

*The first
Radical plan;
Wade-Davis
bill*

general pardon could with no great difficulty have their political disability removed by personal application to the President; but under the Wade-Davis bill the state constitution would have to be amended before any individual could have his disability removed. Obviously, long before the war ended, the Radicals were planning to deprive the Southern white people of self-government. The new or amended state constitution, according to the Wade-Davis bill, must free the slaves and repudiate all debts incurred in behalf of the Confederacy. If the constitution thus adopted by the convention was ratified, the state might then elect Senators and Representatives to Congress.

*Lincoln's
"pocket veto"
of the bill*

Congress adjourned two days after passing the bill and Lincoln refused to give it his signature. This "pocket veto" was soon followed by a proclamation in which Lincoln explained that he was unwilling to bind himself to any one form of reconstruction; but he added that he would support any state that presented itself under the provisions of the Wade-Davis plan of reconstruction.

*The Radical
manifesto*

The Radicals issued a manifesto—usually called the Wade-Davis Manifesto—after Lincoln's "pocket veto" of their reconstruction bill, in which they accused the President of despotic ambitions. He was planning, they complained bitterly, to reconstruct the Southern states and then "hold the electoral votes of the rebel states at the dictates of his personal ambition." In other words, they were accusing Lincoln of planning to create "pocket boroughs" out of the Southern states, which he could use to re-elect himself or to install his favorites and henchmen. Since that is what the Radicals did from 1868 to 1876—by disfranchising a sufficient number of whites and enfranchising the Negroes whose vote they controlled—they were obviously revealing their own intentions in accusing Lincoln of such.

*Lincoln
desired a more
generous peace
than that
provided
for in his
amnesty
proclamation*

As the war drew toward a close, Lincoln gave strong evidence of desiring a more generous peace settlement with the South than the terms set forth in his proclamation of December 8, 1863. For example, he gave his consent for the Confederate Virginia legislature to meet and withdraw the Virginia troops; and it seems that he was considering the idea of letting other Southern legislatures meet in an extra-legal capacity to give their aid and influence in the preliminary stages of reorganization. The terms of surrender that Sherman first offered Johnston, including the recognition of the state government of North Carolina, were unquestionably based upon his conception of Lincoln's future reconstruction policy. But Radical opposition, particularly that of Secretary of War Edwin Stanton, and Lincoln's own cautious temperament finally brought an end to this

budding idea, and all the Southern state governments were declared illegal.

In the closing days of the war when there was no longer any doubt as to Northern victory, the entire trend of Lincoln's thoughts seemed toward generosity and friendship for the South, for a peace settlement that would be both just and merciful, above all one that would go far toward reuniting the Northern and Southern people into a genuine Union. His inaugural address on March 4, 1865, foreshadowed the kind of peace that Lincoln had in mind.

*The second
inaugural
address*

With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up the nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphan—to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations.

On April 11, two days after Appomattox, the President spoke to the public for the last time; and in keeping with the sentiment of his second inaugural his voice was raised against vengeance and spite. The sole object of the war, he said, had been to restore the "seceded states—so-called" to "their proper practical relation with the Union," and all should join in helping do this. Let no one attempt to settle the question "whether these states have been out of the Union." "Finding themselves safely at home, it would be utterly immaterial whether they had ever been abroad."

*Lincoln's
last speech*

In his last Cabinet meeting held on the day of his assassination Lincoln spoke with deep regret at the spirit of revenge that animated the Radical leaders and warned that he would have none of such business.

*His last
Cabinet
meeting*

I hope there will be no persecutions, no bloody work after the war is over. No one need expect me to take any part in hanging or killing these men, even the worst of them. Enough lives have been sacrificed. We must extinguish our resentment if we expect harmony and union. There is too much desire on the part of some of our very good friends to be masters, to interfere and dictate to those states, to treat people not as fellow citizens; there is too little respect for their rights. I do not sympathize in these feelings.

Whether Lincoln could have prevailed in his policy of reconstruction is and always will be a matter of interesting speculation. With his great skill at shaping public opinion and in dealing with men, including those who were opposed to him, there can be no doubt, however, that some of the tragedy of Radical reconstruction would have been avoided had he lived out his second term. But

*Lincoln's
death and
Radical
reaction*

that was not to be. On April 14, 1865, five days after Lee's surrender, Lincoln was shot while attending the performance of the play, "Our American Cousins," at the Ford Theater in Washington. On the following day the President passed on to his reward and the course of history may have been changed. Secretary of War Stanton remarked piously that the President "now belongs to the ages"; and we can have little doubt in the light of after events that Stanton and the entire group of extreme Radicals were well content to have Lincoln belong to the ages. Indeed, they did not conceal their satisfaction and relief at having the one great obstacle to their program removed. In the meantime, Charles Sumner, Benjamin F. Wade, Thaddeus Stevens, O. P. Morton, Zachariah Chandler, and other leading Radicals found it safe and politic to make fine speeches and place flowers upon the casket. It was useful to prolong the funeral ceremonies as much as possible, to play up the fact that John Wilkes Booth was a Southern sympathizer, and to foster the belief that the assassination of the President was in reality the work of Jefferson Davis and his colleagues. The ground was thus laid to win the Northern public to the support of the Radical plan of reconstruction, which, according to Lincoln's opinion, contemplated neither justice nor mercy for the South.

JOHNSON'S RECONSTRUCTION OF THE SOUTH

*Johnson's
threats
against
Southerners*

The Radicals were pleased to have Lincoln out of the way since the Vice-President, Andrew Johnson, had given satisfactory proof in words—and, to some extent, in deeds while military governor of Tennessee—that he would pursue a vindictive and relentless policy toward the South. In all too frequent speeches, as events were soon to demonstrate, Johnson had apparently committed himself to a policy as harsh as that advocated by Thaddeus Stevens. He had always blamed the Southern planters for secession and the war; and he proposed to destroy them by confiscating their estates and dividing them among the small farmers. "Treason must be made odious," he would say, "and traitors punished and impoverished. Their great plantations must be seized and divided into small farms and sold to honest, industrious men."

*His harsh
actions after
Lincoln's
death*

This harsh attitude had been his while military governor of Tennessee and as Vice-President; but after the assassination of Lincoln, Johnson's words became even more unrestrained for a time, and his actions were all that the Radicals could wish. Davis and members of his government, state governors, and other officers were put into prison. Davis, in addition to the charges against him of treason and cruelty to prisoners, was accused of complicity in the

plot to assassinate Lincoln. He was chained to his bed and tortured by having a light placed close to his face. Johnson had nothing directly to do with this physical cruelty, although it was reported to him and for some time he did not interfere to put an end to it. Booth, who had escaped from the scene of the assassination, was discovered and shot in a burning barn; and his three accomplices and Mrs. Surratt, the mistress of the boardinghouse where the assassins consorted, who was actually innocent, were hanged by order of an extra-legal military tribunal.

The Radical leaders were quick to assure Johnson of their confidence in his stern policy of dealing with Southern "traitors," and to pledge their support. "Ben" Wade told Johnson that "we have faith in you," and Johnson's reply was another version of the stereotyped expression quoted above: "treason is crime and crime must be punished. Treason must be made infamous and traitors must be impoverished." So harsh did Johnson's attitude toward Southerners appear that some of the less bloodthirsty Radicals called upon him to adopt a more humane policy. They would have no doubt been content with a few choice hangings, while Johnson gave the impression that his black list might run into scores, perhaps into the hundreds.

Johnson's bitterness was not altogether directed against Southern "traitors" and secessionists as such, but against these men as "aristocrats" and "slave oligarchs." His grudge against the Southern aristocracy had been of lifelong standing. He had been born of humble, perhaps shiftless, parents at Raleigh, North Carolina, in 1808; and, although he and his widowed mother had prospered after moving to Greenville, Tennessee, where he established himself as a tailor, he entered young manhood harboring a deep resentment against people of wealth and breeding, whom he visualized as his personal oppressors. His marriage into a good family and his continued prosperity, which soon brought him into the possession of several slaves and considerable land, did nothing to bridge the gap that seemed to him to lie between him and other slaveholders. He seemed to suffer from both an inferiority and a persecution complex that were to go far toward his ultimate failure as President of the United States; for they had much to do with his lack of tactfulness and his quarrelsomeness. However, in the rough and tumble politics of East Tennessee, Johnson was eminently successful, for he had risen from position to position, from mayor of Greenville to member of the state legislature, then to Representative in Congress, governor of Tennessee and, just before the outbreak of war, to United States Senator. The secession of the Southern states, particularly that of

*The
Radicals
support
Johnson
at first*

*Johnson's
bitterness
toward the
Southern
aristocracy*

Tennessee, further embittered Johnson against the "slave oligarchy"; and when Lincoln was assassinated and he succeeded him as President, his outburst against "traitors" was the continuation of an old anger.

*Johnson a
man of violent
words, but
not violent
deeds*



ANDREW JOHNSON.

(Photograph by Gardner, and Published
by Philip & Solomons, Washington, D. C.,
1865.)

The Radicals, however, were greatly deceived in their man. They never quite understood that Johnson was a man of words rather than action, possessed of "spleen" rather than cruelty. He was an abusive and bitter controversialist who seldom or never carried out his threats. Perhaps his exterior was rough; but Johnson was incapable of studied cruelty; he might throw Jefferson Davis in prison and permit him to be chained to his bed while under the emotional stress of Lincoln's assassination; but one can hardly imagine Johnson or-

dering a man shot or hanged except in accordance with all due forms of law under the Constitution.

*Johnson a
strict constitu-
tionalist*

This brings up another trait in Johnson's character, not understood by the Radicals, which was to prove a stumbling block: Johnson was a constitutionalist in the most fundamental sense. To him the Constitution of the United States was an inspired document, emanating from the same source as the Holy Bible. To him the Constitution was not an elastic document that meant one thing on one occasion and another on some other occasion. He was a strict Jeffersonian Democrat, accepting the rigid division of powers between state and Federal government. The Constitution plainly stated that the Federal government was possessed only of those powers specifically named in the Constitution, and that the remainder of the powers of government were retained by the states. Nowhere was there any provision that gave the Federal government the right to destroy a state or take over the government of that state as a punishment for the "treason" or "rebellion" of individual citizens in that state. Naturally, and far more insistently than did Lincoln, Johnson held that the Southern states, despite the conduct of the citizens of the state, continued to be states. Any punishment meted out must, therefore, be against the individuals and not against the state. The states

were only in a condition of "suspended animation"; and all that was needed to reanimate them was a loyal citizenry. This loyal citizenry could be created only through the pardoning power of the United States government, which rested in the hands of the President. Holding such constitutional views, it was inevitable that Johnson should follow Lincoln's policy that accepted this theory, though less rigidly, rather than pursue the policy of Stevens and Sumner. The only thing that the President and the Radicals had in common was bitterness toward the planter-merchant "oligarchy" of the South. Johnson's bitterness, however, soon disappeared, for he discovered what he could have seen years before—that the Southern leaders were constitutionalists just as he was, while the Radicals held the Constitution lightly or in contempt.

Johnson's first break with the Radicals came early in May when he recognized Lincoln's reconstructed governments in the states of Arkansas, Louisiana, Tennessee, and Virginia. Such a step, however, was condoned to some extent as a graceful gesture in honor of the dead President. On May 29, 1865, however, Johnson issued his Proclamation of Amnesty and Reconstruction, and at the same time appointed a provisional governor of North Carolina; and there could be no further doubts that his way and those of the Radicals led in different directions. It was clear now that Johnson's policy was a continuation of that of Lincoln. Under peace conditions the ten per cent requirement embodied in Lincoln's proclamation of December 8, 1863, was omitted, since it naturally was assumed that most if not all the Southern people would accept amnesty and subscribe to the oath of allegiance. In keeping with his attitude toward the Southern aristocracy Johnson added to the list of those who were not pardoned by general amnesty all those whose taxable wealth was \$20,000 or more.

Under this plan Johnson had appointed provisional governors by the middle of July, 1865, for all the late Confederate States not reconstructed under Lincoln. These men were all citizens of their states and, although most of them had not been secessionists, they had not as a rule taken part against their states. In short, with the exception of W. W. Holden of North Carolina, they were not scallawags. The first step under the provisional governments was to dispatch army officers to the county seats to administer the oath of allegiance, and thus create a "loyal" electorate. At the same time the provisional governor rehabilitated the county and municipal governments. Those who had held office under the Confederacy were frequently instructed to continue in office until regularly elected or appointed officials could take their places. Wherever sufficient officers

Johnson continues Lincoln's policy of reconstruction and parts with the Radicals

Establishment of provisional governments in the South

could be obtained, the courts, local, state, and Federal, were reopened, and the state laws of 1861—except those pertaining to slavery—were declared temporarily in force.

The constitutional conventions

The first step toward self-government was the election of state conventions. These conventions met in the fall of 1865 and amended the old constitutions so as to conform to the “peace terms” either implied or stated in the President’s proclamations. Three conditions had to be met before the President would accept the work of the conventions: the abolition of slavery; the repudiation of the ordinance of secession; and the repudiation of the “rebel” debt, whether state or Confederate. These conditions were to a great extent the recognition of accomplished facts, and the conventions soon accepted them, although there was considerable feeling against the repudiation of state war debts and some quibbling over the form in which the other two conditions should be met.

Johnson’s advice on Negro suffrage

Johnson, in keeping with his doctrine that the Southern states were still states in the Union with the full rights of states, naturally left the matter of determining who should vote and hold office in the states to the constitutional conventions. At the same time he advised the conventions through the provisional governors that it would be the part of wisdom to grant qualified suffrage to the Negroes. His position on this question was well stated in a communication to the provisional governor of Mississippi, W. L. Sharkey:

If you could extend the elective franchise to all persons of color who can read the constitution of the United States in English and write their names, and to all persons of color who owned real estate valued at not less than two hundred and fifty dollars and pay taxes thereon, you would completely disarm the adversary and set an example the other states will follow. This you can do with perfect safety, and you will thus place Southern States in reference to free persons of color upon the same basis as the free States. . . . And as a consequence the radicals, who are wild upon negro franchise, will be completely foiled in their attempts to keep the Southern States from renewing their relation to the Union by not accepting their senators and representatives.

It is obvious from this statement that Johnson’s interest in Negro suffrage was based upon the strategic value that a move like the one suggested would have in frustrating the Radicals.

The white counties oppose Negro suffrage

It is significant that many Southern leaders from the Black Belt were willing to grant such qualified suffrage to the Negro at the beginning of reconstruction, but the “white” counties objected to Negro suffrage with the result that the conventions ignored Johnson’s

plea and unintentionally weakened his position in the fight with the Radicals.

The conventions completed their work and provided for the election of local and state officers and members of Congress under the new constitutions. By the end of December, 1865, in all the ex-Confederate States except Texas, reconstruction had been completed, the state governments were functioning, and the Congressmen and Senators were in Washington ready to take their seats. But Congress, under the clever leadership of Stevens and Sumner, refused to seat the Representatives and Senators elected by the "Johnson" governments, and thus was war openly declared between Johnson and the Radicals. This will be discussed later; first let us follow the work of the new governments of the reconstructed states.

Reconstruction completed except in Texas

THE WORK OF THE JOHNSON STATE GOVERNMENTS

The problems which a ruined and disorganized society in these states had to deal with were many and difficult, if not impossible of solution. The most difficult problem was the freedman. He was free, but his legal status had not been defined in the new order. It was generally held, as previously observed, that the Negro was not as yet qualified to enjoy all the rights and discharge the duties of an American citizen. It was believed that, until the Negro had had experience as a free man and demonstrated his fitness, he should not be given full citizenship but that he should be given the legal status of a ward.

The South did not believe the freedmen ready for full citizenship

In pursuance more or less of the idea that the Negro should be dealt with as a ward until he gained experience and demonstrated his fitness for adult citizenship, several of the Southern legislatures during the fall and winter of 1865-66 enacted a special system of laws governing the Negro. These laws were known as the Black Codes. They contained features derived from the ante-bellum laws relating to the free Negro in the Southern states, from similar codes still in force in the Northern states, from the laws of the British West Indies for freedmen, from the vagrancy laws for the whites in both North and South, and, finally and significantly, from the regulations of the United States Treasury Department and Freedmen's Bureau. In those states, particularly Mississippi and South Carolina, where the ex-slaves outnumbered the whites, these Black Codes were elaborate and definitely set the Negro apart in a legal class and in the role of subordinate citizen and ward of white society. In the states with fewer Negroes, the Black Codes were less elaborate and showed less variation from the laws relating to the white people.

The Black Codes

In all the Southern states any descendent from a Negro to the fourth generation must be considered a Negro. Intermarriage

between the races was forbidden; in every Southern state Negro witnesses could testify in court where Negroes were involved; in six of the late Confederate States they could testify in any case at law. Laws relating to marriage, divorce, inheritance, the right of contract, and property rights, except in two or three states, were virtually the same as those of the whites.

*Negro
ownership of
property in
Mississippi
and South
Carolina*

In Mississippi and South Carolina there was sharp differentiation between the races as to property rights. In Mississippi a Negro could not acquire farm lands; in South Carolina he could acquire farms but not city property. The prohibition by Mississippi law against the Negro acquiring farm land was meant in part to combat the notion, spread by the Freedmen's Bureau and other Radical groups, that on Christmas day, 1865, the Federal government would divide the lands of the "rebels" among the Negroes so that each Negro would receive forty acres and a mule. It was meant also to discourage the purchase of lands which might be auctioned off for tax or mortgage. In South Carolina the Negroes were congregating in the towns to an alarming degree, and the prohibition against the Negroes acquiring town property was directed in part against this condition.

Vagrancy

Some of the Black Codes contained special provisions for Negro vagrancy and the apprenticeship of young Negroes; and most of them required the Negro offender to work out his fine rather than pay it in money. It will be recalled that in places the majority of the able-bodied Negroes had abandoned the farms in the summer and fall of 1865 to flock to the towns and villages, and had thus created for themselves and their white employers further destitution. They became serious disturbers of the peace and certain elements among them developed quickly into criminals. All suffered from exposure, hunger, and many forms of illness so that it has been estimated that at least 200,000 died from such causes during 1865-66. It was to meet this desperate situation and get these ignorant, irresponsible wanderers to settle down and to work that the vagrancy laws were passed. These laws required idle persons with no visible means of support—except the Freedmen's Bureau or army soup kitchens—to have regular employment by a specified date. The laws usually applied to both races in theory; but in fact they were aimed primarily at the idle and increasingly violent freedmen. It was expected, too, that a few carpetbaggers and scalawags would have to be rounded up in the process of getting the Negro to work.

*Apprentice-
ship laws*

The law of apprenticeship was intended to apply to the thousands of orphaned, stranded, and deserted Negro children. Indeed the young Negroes presented one of the most serious social and economic problems with which the South had to deal. The Southern legisla-

tures attempted in the main to deal with the problem humanely and justly. All orphans and abandoned children could be bound out until they became of age, as apprentices, usually to their former masters, with whom as a rule they were already living. The master was given the authority exercised under the laws of apprenticeship in the English-speaking world, and was under the usual obligations.



Harper's Weekly, July 1, 1865

CAMP OF NEGRO REFUGEES. (Sketched by Theodore R. Davis.)

There were other features in the Black Codes which set the Negro apart. In some states, because of fear of incendiarism, he had to have a special license to preach and to carry firearms. In school—although not in church—and in traveling on the railways the races were separated. It was in Mississippi that the “Jim Crow” car was first used. For nearly all minor offenses, as has been said, the Negro had to work out the fine rather than pay it in money.

The Black Codes of Mississippi and South Carolina, while applying the same law in the majority of cases to both Negro and white races, nevertheless, diverged more from the white codes than those of any of the other states. It will be recalled that these laws were passed in the fall of 1865 while the Negro was wandering over the country or congregating in the towns and refusing to work. Most of the laws of the other Southern states were enacted after the beginning of the new year of 1866 when the Negroes had begun to settle down to work. This in itself had a tendency to produce milder leg-

Other provisions

The Black Codes of Mississippi and South Carolina more extreme than those of other states

isolation and in some cases to cause the abandonment of special legislation for the Negroes; but the reaction in the North to these Black Codes and the interference of the Freedmen's Bureau and the army were doubtless even more influential in causing the Southern states to abandon the attempt at placing the Negro in a separate legal class.

*Black Codes
represented
by Radicals
as attempts
of South to
re-enslave
Negro*

The Radicals, with the aid of such firsthand reports upon conditions and attitudes in the South as that of Carl Schurz—who contended that the Southern people were in effect still rebels and only biding their time—seized upon the Black Codes as evidence that the South was attempting to re-enslave the Negro. The Black Codes thus presented to them by the Radical propagandists were accepted by the majority of Northerners as acts of bad faith on the part of the Southern people, and they furnished powerful support, when taken in this light, to the Radical plan of reconstruction.

*The South
acted in
good faith*

The South, however, passed the Black Codes in good faith. With the exception of a few features in the Mississippi and South Carolina codes, they were an earnest and realistic effort to assign the Negro, not to a state of peonage or thinly disguised slavery, but to a legal status for which he was prepared. It was, states W. L. Fleming, an effort to treat the race problem with due consideration to actual local conditions;

... none of this legislation was regarded as a restriction of negro rights but as a wide extension to the negro of rights never before possessed, and adaptation of the white man's law to his peculiar case.¹

*Freedmen
regarded
as wards
of Southern
whites*

Regardless of whether special legislation was passed for the Negro, there was present in the minds of the lawmakers the assumption that the former slaves were their wards. That the wards would, as a race, ever qualify themselves as full, adult citizens, most Southerners probably doubted. On the other hand, there is little evidence that Southern leaders in 1865-66 had any idea of deliberately frustrating the Negroes' development. The leading Southerners looked with favor upon the education and general advancement of the Negro race. It was only after the Radical Northern teachers and missionaries under the auspices of the Freedmen's Bureau had taken over the education of the Negroes that Southern opposition developed.²

¹ *The Sequel of Appomattox*, 96-97.

² For a new view on the subject of Negro education in the South during reconstruction, see Henry Lee Swint, *The Northern Teacher in the South, 1862-1870* (Vanderbilt University Press, 1941).

CHAPTER II

The Radicals Undermine Presidential Reconstruction

THE FREEDMEN'S BUREAU

THE Radicals had no toleration for the idea of second degree citizenry and Southern guardianship of the freedmen. They proposed to make the Negroes full citizens without preparation for such responsibility; but at the same time to make them the wards of the Radicals, soon to hold sway over the Federal government.

The first important step toward Radical guardianship of the freedmen was the passage of the act of March 3, 1865, to establish the Bureau of Refugees, Freedmen, and Abandoned Lands. This Bureau, called the "Freedmen's Bureau," was to continue in operation for one year after the war had ended, but the time limit was later extended. Its chief business at first was to care for the Negroes and Unionists who came within the Federal lines. The confiscated and abandoned lands of Confederates were to be used for the support of the freedmen and Unionists.

The Bureau was in the War Department, but for all practical purposes it was virtually independent of executive and military control. Indeed, it was like a fourth branch of the government during most of its existence. Its real control was not in the government at all, but in the hands of the Radicals who dominated Congress and, after the expiration of Johnson's term, dominated the executive, and to a considerable extent, the Supreme Court.

There was a commissioner at the head of the Bureau, an assistant commissioner over each state, and district, county, and town agents under the assistant commissioner's authority. General O. O. Howard, commissioner of the Bureau, was a man of good character; yet he had the Radical attitude that Southerners could not be trusted in their dealings with the freedmen, and that the Negroes must be protected from them by their Northern friends and particularly by the Bureau. The assistant commissioners were usually generals in the army who had had considerable experience during the war in dealing with the Negro. Although, like Howard, inclined to distrust the

*Original
purpose
of the
Bureau*

*Bureau
controlled
by the
Radicals*

*Administra-
tive officers of
the Bureau*

Southerner's good faith, most of those who served in this capacity were men of good character. Such, however, cannot be said of the clerks and agents in charge of the local "Bureau." The majority of them, perhaps, were of the carpetbagger type made up of adventurers who were said to have come South with all their belongings in a carpetbag seeking plunder. Another considerable group was part of that band of obscure abolitionists who came South to take charge of the Negro and protect him—teachers, preachers, subordinate officers of Negro troops, and more often than not former members of the underground railroad crew.

*Relief
work*

The Bureau undertook widescale relief for the dispersed Negro and white population. During the early months of peace tens of thousands of whites and many more Negroes were given food and shelter by the Bureau. In some of the areas these rations were all that either whites or blacks had to eat for some time. Scores of hospitals and many additional clinics were established and half a million patients were treated. Eventually, the issuing of free rations was put to powerful political use by the Radicals.

*Supervision
of white-
Negro labor
relations*

Although relief in the matter of food and shelter—and to some extent the transportation of refugees—was dispensed freely to both the Southern whites and blacks, the Bureau came to have for its chief purpose the guarding of the welfare of the Negro as the Radicals conceived it. In pursuance of this object the Bureau assumed the supervision and regulation of all Negro labor agreements. Written contracts were drawn up by the Bureau agent and signed in his presence by both employer and employee. Wages, periods of work and of rest, holidays, and other duties and rights were specified in great detail for wage hands, and specific details were embodied in contracts for sharecroppers.

*The Bureau
protects
the civil
rights of
the Negro
but violates
those of
the whites*

The supervision of contracts was only part of the function of the Bureau as guardian of the Negro. Actually, the Bureau was either granted or assumed authority to safeguard the Negro in all civil rights. For the purpose of securing such rights for the Negro, the Bureau was authorized to establish courts and supervise closely the trials in state or local courts where Negroes were involved. In this way the Negro was removed from the real jurisdiction of the state, and wherever the supposed rights of a Negro were involved the Bureau removed the white man from the jurisdiction or protection of the state. The local agent or clerk of the Freedmen's Bureau presided over the Bureau court, and in very important cases another official might be called in to help. These clerks, of course, were not lawyers or students of the law; nor did they appear to have any comprehension of the elementary principles of Anglo-American juris-

prudence. The Bureau agent acted in the capacity of sheriff and bailiff, but he invariably hailed a man into court without any form of warrant; he then became prosecuting attorney against the white man and at the same time defense attorney for the Negro; and, finally, all the time he was both judge and jury. White men of the



Harper's Weekly, June 2, 1866

OFFICE OF THE FREEDMEN'S BUREAU, MEMPHIS, TENNESSEE.
Trial of a Southern White Man.

highest character were hailed into court from a distance of forty miles on the most trivial charges, where, according to W. L. Fleming, they "were lectured, abused, ridiculed, and arbitrarily fined or otherwise punished."¹

The Freedmen's Bureau not only "protected" the Negroes in their economic and civil rights, but directly and indirectly undertook the education of the ex-slaves. The Educational Division of the Freedmen's Bureau under the superintendency of John Watson Alvord, a former pastor of Boston, was in the long run the most significant and effective feature of the Bureau: it was the propaganda instrument of the Radicals. Through this the Negro was instructed not only in Greek and Latin, but most effectively in the doctrines of the Radicals and eventually in the more practical doctrines of the Republican Party. The Bureau established hundreds of schools for the

*Educational
work of the
Bureau*

¹ *The Sequel of Appomattox*, 113.

Negroes, and assumed the general supervision and protection of the other hundreds of Negro schools established by the American Missionary Association, the Freedmen's Aid Societies of several churches, and the nonsectarian educational and relief associations, the last of which were soon united in the American Freedmen's Union Commission.

*The teachers
and their
teachings*

The educational work of the Bureau was conducted by a type of individual different in most respects from the Bureau agents described above. The many thousands of men and women who were sent South as teachers by the Bureau and the various educational and relief organizations were burning with unselfish zeal to uplift the colored race. They were utterly brave and disregarding of personal comfort as a rule. But their love for the ex-slave was balanced by their hatred of the Southern white people. They were prepared when they came South to show no regard for the customs, attitudes, and mores of the people among whom they settled: they would run counter to long established usages, and either ignore them or violently uproot them at once. They demanded the immediate lowering of all racial barriers, but at the same time they built the barriers higher by teaching the naïve colored people to hate their former masters and the Southern whites generally. Their schools very quickly became political training centers for the Negroes as soon as it seemed that they would be granted the right to vote. Here the ex-slaves were taught that the election of any but Republicans would bring about their re-enslavement.

*Evaluation
of their
work*

Permanent success could scarcely attend the efforts of these zealots, and their work in most instances terminated when reconstruction was ended. Although the common schools set up by this group were temporary, several important institutions of higher Negro education were established and have continued to be of great benefit in the education of Negro leaders. Nevertheless, in estimating the value of the work of these teachers it must not be forgotten, as previously suggested, that Southern leaders were well disposed toward Negro education when the slaves were given their freedom, and that many Southerners taught Negro schools at first. The Southern people with Northern co-operation might have given the Negro the same educational opportunities as he received under the Radical regime without the racial and sectional animosities aroused by the missionary teachers. In the long run, the colored people would probably have received more opportunity, because hostility and indifference to Negro education that long survived reconstruction came largely as a direct result of the Northern schoolteacher's bitter teachings.

The work of the Bureau was carried on during the administration

of Andrew Johnson, and much of it while the reconstructed Johnson governments in the South still functioned. It will be seen, therefore, that the "fourth department" of the Federal government had interfered so greatly with the states of the South that they were mere ghosts of states, and these ghosts were rendered even less of a reality by the constant interference of the military garrisons who took their orders from the Radical Secretary of War, Edwin M. Stanton.

A REVOLUTION INVOLVED IN THE RADICAL PLAN

The Radicals were not content to permit even a shadowy state government under the Johnson plan to continue in the South. They had a program which could not be put into execution under the President's plan despite the enfeebled condition of the state governments in the South. The Radical plan was comprehensive and far-reaching in its purpose. It included an economic, political, social, and constitutional revolution. The economic revolution was doubtless the chief objective of the new Radicals of the J. G. Blaine and Roscoe Conkling type—that is, those Republicans whose primary interest in radicalism was material and political rather than humanitarian—and it was of great importance to the old Radicals like Sumner whose record in behalf of the Negro was more humanitarian than that of the new Radicals. Before the end of the reconstruction period the new Radicals dominated the Republican Party which had become economically reactionary; and the economic and political features of the Radical program became most important.

*The several
phases of
the revolution*

The economic revolution would establish the financial and industrial capitalists as the masters of American economic life and make all other occupations tributary to them. These masters of capital were to be given a completely free hand to "develop" America, that is, there was to be no governmental interference with "private enterprise." On the other hand, the government was to give aid to the great capitalists in many ways: protective tariff at the expense of agriculture and the consumer; subsidies in government bonds, empires of public lands, and mineral resources; and finally the use of the armed forces to suppress labor discontent. This economic revolution depended upon the political.

*The economic
revolution*

The political revolution contemplated in the Radical program was the establishment of permanent Republican control of the government of the United States; and the new Radicals within the party contemplated the domination of the Republican Party by the Northeast. Here was located the great financial and industrial headquarters that controlled the Radical politicians from that section. That is, big business was thus to control the Republican Party and through it

*The political
revolution*

the government of the United States. The first step in gaining this permanent control was the reconstruction of the Southern states in such a fashion as to make of them "pocket boroughs" of the Republican Party. The next step, which became more important in retaining the control of the Federal government, was the political revolution of the Old Northwest. The Radical leaders were completely frank in declaring their purpose in placing the Republican Party in permanent control of the United States; and they were quite frank in saying that they would do so by gaining control of the South. As for gaining ascendancy in the Northwest, they were not so frank. As might be expected, Thaddeus Stevens had expressed the Radical intention of maintaining permanent ascendancy in the most brutal way. The Southern states should "never be recognized as capable of acting in the Union . . . until the Constitution shall have been so amended as to make it what the makers intended, and so as to secure perpetual ascendancy to the party of the Union" [Republican Party].

*The social
revolution*

The social revolution included in the Radical program has already been suggested: to elevate the newly-freed slave theoretically to the same status as that occupied by the whites, and in the South to elevate them above the white majority by disfranchising ex-Confederates.

*The consti-
tutional
revolution*

The constitutional revolution would be the virtual destruction of the functions of the state, especially in the matter of civil rights, and their transfer to the Federal government. The constitutional revolution would make the social revolution possible; and the social would make the political and economic revolution possible.

To what extent the Radicals were successful can best be determined by a study of events that transpired during the time they were in power. In following the Radical reconstruction of the South, it should be kept in mind that the reconstruction of the South, while an end in itself, was in the long run only one phase of the reconstruction of the United States—or of the Radical revolution.

RADICAL PROPAGANDA IN 1865

*Radical
appeal to
conservative
opinion*

Congress had adjourned in April before Lincoln's death, and did not meet again until December of that year; but the Radicals were a closely knit body, and during the summer and fall before the meeting of Congress the leaders held many personal conferences and carried on extensive communications by letter. It did not take them long to launch a campaign against the Presidential plan of reconstruction which, they agreed, must be overthrown. Since Johnson's reconstruction policy was very popular in the North during the early days of his administration, the Radicals attacked

only certain details as being objectionable, and these objections were quite plausible and appealed to many conservatives. First, they pointed out that the freeing of the slaves abolished the three-fifths proviso of the Constitution, which permitted only three fifths of the Negro slave population to be counted in determining congressional representation and representation in the electoral college; and that this would result in the entire Negro population being counted and in the power of the South being greatly increased. Another argument that appealed to the average person was that the South, thus strengthened, would come back under the Johnson plan and combine with the former Copperheads (Democrats) to give it control of the government of the United States. The Radicals contended that the South, once back in power, would repudiate the national debt or scale it down by repayment of the bonds in greenbacks, that it would pay the Confederate debt, reimburse the former slave owners for the \$2,000,000,000 loss arising from the freeing of their slaves, and refuse pensions to the Federal soldiers and pay pensions to the Confederates. Did the Northern people want the South, suddenly so ogreishly powerful, to do all these terrible things? Certainly not! Then, in the fall of 1865 the Southern states supplied the Radicals with their best argument by the passage of the Black Codes. This, said the Radicals, was open defiance of the victorious North; this was rebellion: the Negro was being re-enslaved right before the eyes of the Northern people and of the entire world. Were the Northern people going to permit a defeated and dishonorable enemy thus to flout them, to defy them and undo the work of the four years of blood and sacrifice? Certainly not!

In support of the evil forebodings of the Radicals were the numerous reports of Northern newspaper correspondents, Bureau officials, army officers, and those dispatched to make semi-official investigations. These reports were overwhelmingly bad—although a few like the Truman and Grant reports were favorable. That of Carl Schurz, the German Radical, soldier, and politician, was typical. He had been dispatched by Andrew Johnson to make a report on Southern conditions, but Schurz was also secretly employed by the Radicals to make the tour and report in support of their policy. Charles Sumner paid some of Schurz's expenses out of his personal funds or those contributed by Radical friends for the purpose. Schurz contended in his report that about every unfavorable thing that had been said about the South was true:

*Unfavorable
reports on
the South:
Schurz's
report*

The loyalty of the masses and most of the leaders consists in submission to necessity. There is, except in individual instances,

an entire absence of that national spirit which forms the basis of loyalty and patriotism.

Schurz translated the lack of a national spirit in the South into disloyalty; and his report suggests that a partial remedy would be the enfranchisement of the freedmen. Another official wrote that he so distrusted the honest intentions of the white people of the South that he

would pin them down at the point of the bayonet, so close that they would not have room to wiggle, and allow intelligent colored people to go up and vote in preference to them. The only Union element in the South . . . is among the colored people. The whites will treat you very kindly to your face, but they are deceitful.

Reports show lack of psychological insight; Wade Hampton states the case

These reports, which were to furnish the preliminary support for the Radical opposition to Johnson's reconstruction policy, revealed a lack of psychological insight into or comprehension of Southern conditions. As previously suggested, the South had been dragged back helpless into the Union, and the people had submitted to "necessity," and quite naturally there was, in the words of Schurz, "an entire absence of national . . . spirit." Most of them were quite proud of their war record and only regretted that the South had lost. But they had accepted defeat on the stipulated conditions of Lincoln, Grant, and Sherman without mental reservations. Wade Hampton summed up the situation perfectly in reply to such reports as that of Schurz:

The South unequivocally "accepts the situation" in which she is placed. Everything that she has done has been done in perfect faith, and in the true and highest sense of the word, she is loyal. By this I mean that she intends to abide by the laws of the land honestly, to fulfill her obligations faithfully and to keep her word sacredly, and I assert that the North has no right to demand more of her. You have no right to ask, or expect that she will at once profess unbounded love to that Union from which for four years she tried to escape at the cost of her best blood and all her treasure.

The exclusion of Southerners from Congress

In accordance with the plans already formulated by the top-ranking Radicals in and out of Congress—particularly by Stevens, Sumner, and Wade—a caucus of Radical Congressmen held on December 1, 1865, agreed to exclude the Southern Senators and Representatives from Congress. The next day the Republican Party caucus, which included conservatives and moderates, accepted the plan to exclude the Southerners as a very reasonable procedure. The plan was to appoint a joint committee of the House and the Senate to which should be referred all matters concerning the reconstruc-

tion of the South, including the qualification of the Southern Congressmen elected under the Johnson plan of reconstruction and waiting at Washington to take their seats. Before presenting to the House the matter of appointing the Joint Committee on Reconstruction, "Thad" Stevens, acting for the Radical group, instructed Edward McPherson, the clerk of the House, to omit from the roll the names of the Congressmen from the reconstructed states.

By a partisan vote of 133 to 36 the resolution to create the Joint Committee was put through the House of Representatives over the bitter opposition of the Democrats and the strong protests of the Southern delegation. The Joint Committee was to have fifteen members, nine from the House and six from the Senate. It was to inquire into the conditions in the late Confederate States and

*The creation
of the Joint
Committee
on Recon-
struction*

report whether they or any of them are entitled to be represented in either house; . . . [and] until such report shall have been made and finally acted upon by Congress, no member shall be received into either House from any of the so-called Confederate States.

The Senate on December 12 passed the House resolution with the clause struck out that required the consent of both houses for the admission of members to either house, but later accepted it. The Joint Committee, by delaying its report on Southern conditions, could postpone the admission of the Southern members without passing upon the merits of their cases. It was an extremely clever plan because it bore no evidence of malice or ulterior designs upon its face. Stevens, of course, was made chairman of the House section of the Joint Committee on Reconstruction and William Pitt Fessenden was made chairman of both the Senate group and the entire Joint Committee. Stevens was the dominating spirit of the Committee. Eight members were extreme Radicals, four were moderate Republicans, and three were Democrats.

This Committee was destined to determine to a remarkable extent the reconstruction of the South. The Radicals on the Committee had already made their decisions as to the course to be followed in reconstructing the South, and the witnesses who were brought before it were selected to support the Radical plan. Although a few Southerners like R. E. Lee and Alexander H. Stephens were examined, Negroes, missionary teachers and preachers, Bureau agents, and Southern turncoats—now called scalawags—were the usual sources from which the Radicals obtained their "information" about the South. The evidence, thus gathered, supported the Radicals' contention that the Southern people were still disloyal, were biding their time for revolt, and re-enslaving the Negro by the Black Codes.

*The role
of the
Committee*

It demonstrated the wisdom of continuing the army garrisons and the Freedmen's Bureau in the South to protect the Negroes and the Unionists. The evidence gathered was used to influence public opinion and win the support of the more conservative members of the Republican Party, who looked with favor upon most features of Johnson's plan of reconstruction. It was not long before many newspapers in the North were carrying a column or more purporting to depict Southern outrages against loyal blacks and whites. This had a profound influence over public opinion, and the winter had not passed before there were distinct signs that the Northern public was looking with more and more favor upon the policy of severity advocated by the Radicals.

In the meantime, Johnson and the Radicals had reached an open break, and the President, by his lack of tact and restraint, had said much to offend the Northern public and the moderate Republicans and thereby strengthen the Radicals. At the same time the Radicals had initiated a series of measures which undermined the President's Southern policy still further.

*The bill to
extend the
life of the
Freedmen's
Bureau*

On January 11, 1866, Lyman Trumbull, a moderately Radical Republican Senator and chairman of the Senate Judiciary Committee, introduced one of the measures calculated to weaken further the "Johnson governments" in the South. This was a bill to widen the powers and extend the life of the Freedmen's Bureau for an indefinite time. Under this proposed law the Bureau courts were empowered to set aside any state law that in their judgment discriminated against the Negroes. This provision had special reference to the Black Codes, which were already being suspended by the Bureau courts without legal authority. The bill passed the Senate by a vote of 37 to 10 on January 25, and the House by the vote of 136 to 33. This was practically a party vote in which the Republicans both conservative and Radical had supported the bill while the Democrats had opposed it.

*Johnson's
veto*

On February 19, 1866, President Johnson sent to Congress an especially able message vetoing the Freedmen's Bureau Bill. This bill, he said, assumed that a state of war still existed despite the fact that loyal governments had been established in the South which were "entitled to enjoy their constitutional rights as members of the Union." The Bureau courts and the military courts proposed in the bill would supersede the civil tribunals and destroy the right of trial by jury and the right of appeal. Johnson strongly implied also that the bill was not legal because it was passed by a Congress in which eleven states were denied representation. His veto message and executive prestige for the moment swayed a sufficient number

of conservative Republicans to sustain the veto, and the bill failed at the time to become law. The sentiment of the country also seemed to uphold Johnson's policy. General Sherman, for example, wrote his brother, Senator John Sherman, that he favored Johnson's veto because the policy of Sumner and Stevens would "make another war inevitable." Nevertheless, a few months later Congress passed virtually the same bill over Johnson's veto.

Strong Democratic and Southern approval of Johnson's policy and the President's angry speech to a large crowd on the night of February 22 checked, to a considerable degree, the trend in favor of the President's policy and his veto of the Freedmen's Bureau. In this impromptu speech—the kind that Johnson was not equipped to make—Johnson hurled epithets and veiled threats at the Radicals. He denounced the Joint Committee on Reconstruction as "an irresponsible central directory" which arrogated to itself "all the powers of Congress." Although the war had been fought by the North to preserve the Union and upon the constitutional theory that "the States had neither the right nor the power to secede," the Joint Committee, said Johnson, had repudiated the principle of the indestructible nature of the Union, and, in effect, assumed that the South had seceded. The Radicals, who held that the Southern states were no longer states but conquered or unorganized territories, were as much opposed to the Union as the secessionists. Then he called a few names:

*Johnson's
denunciation
of the
Radicals*

I look upon as being opposed to the fundamental principles of this government and as now laboring to destroy them: Thaddeus Stevens of Pennsylvania, Charles Sumner and Wendell Phillips of Massachusetts.

Johnson's speech showed his awareness of the purpose of the Radical policy and also his unfitness to cope with the Radicals. His provocation had been great and his reaction human but unwise. Stevens had spoken of Johnson as "an alien enemy of a foreign state"; and Sumner called him "an insolent, drunken brute in comparison with which Caligula's horse was respectable." Had Johnson possessed Lincoln's finesse in dealing with the opposition it is possible that he might have retained the continued support of moderately Radical Republicans like Lyman Trumbull, J. R. Doolittle, and even John Sherman. Lincoln would never have made such a speech. However, had Johnson been ever so tactful it is doubtful whether he could have appreciably stemmed the tide of Radicalism, for he was an old-line Democrat and the Radicals were all Republicans. Then, too, let it not be forgotten that many other factors were working for Radical

success besides Johnson's tactlessness and the mistakes of Southern governments.

*The Civil
Rights Bill*

While the Freedmen's Bureau Bill was on its way through the Senate and House, another measure calculated to undermine further the governments of the Southern states was being discussed. This was the Civil Rights Bill which Trumbull had introduced on January 11, 1866. This bill passed the Senate 33 to 12 on February 2 and the House 111 to 38 on March 13. It declared in part that "all persons born in the United States and not subject to any foreign power, excluding Indians not taxed [are] citizens of the United States" and that "such citizens of every race and color . . . shall have the same right in every state and territory in the United States . . . to full and equal benefit of all laws and proceedings for the security of persons and property, as is enjoyed by white citizens." The provisions of the bill were to be enforced by the Federal government through its marshals and the district courts. The intent of the framers of the law was to remove the Negro and matters touching the Negro from state jurisdiction and make the colored man a special United States citizen. He would thus become in law what he was in practice, the ward of the United States government.

*The bill
probably
unconstitu-
tional*

Trumbull, who was a good constitutional lawyer, based the Civil Rights Bill upon the Thirteenth Amendment, but there can be little doubt now that it was unconstitutional; for the Fourteenth Amendment granting the Negro equal civil rights had not yet been added to the Constitution. Indeed it was the doubtful constitutionality of this bill that gave rise to the Civil Rights Section of the Fourteenth Amendment.

*Johnson's
veto of the
bill and its
passage over
the veto*

Johnson vetoed the bill promptly, and on March 27 he returned it to the Senate with an able message. His message struck at the heart of the Radical policy as indicated in the bill. He pronounced the bill a "stride toward centralization and the concentration of all legislative power in the national government" with the consequent reduction of the states to mere shadows. This Johnson recognized as a revolution in the constitutional structure of the Federal government, which to him, almost as much as it had to Jefferson and John Taylor of Caroline, meant the end of self-government. Not only this, but the bill would institute a social revolution, "a perfect equality of the white and black races in every State of the Union." Such attempt to force the equality of the ex-slave upon the whites would, said Johnson, "foment discord among the races." Finally, Johnson appeared to question the legality of this bill as he had that of the Freedmen's Bureau Bill because it had been enacted by a Congress in which Congressmen of eleven states out of thirty-six were excluded.

But Congress soon passed the law over Johnson's veto. The Senate overrode the veto 33 to 15—more than the required two-thirds vote—and the House by the vote of 122 to 41.

The work of the Joint Committee on Reconstruction in accumulating damaging evidence concerning conditions in the South had, as we have intimated, greatly strengthened the Radical position in Congress and with the Northern public. The Radical leaders then felt that Congress and the North were ready for the next phase of their plan of reconstructing the South. The Joint Committee on Reconstruction now brought out its final report on affairs in the South and offered the Fourteenth Amendment as a partial remedy. The report of the committee expressed the conviction that the Southern people were disloyal. They had "yielded because they could no longer resist." Furthermore, they had offered "no evidence whatever of repentance for their crime . . . expressing no regret except that they had no longer power to continue the desperate struggle." These unrepentant but "conquered rebels were at the mercy of the conquerors" and it was but justice that the conqueror should "exact indemnity for the injuries done and security" against their recurrence. The indemnity and security that the Joint Committee thought should be exacted were: the disfranchisement of the Southern leaders or their disqualification from holding state and Federal office; the granting of suffrage to the Negro, or, if that were not done, the reduction of Southern representation in Congress and the electoral college in the proportion of the Negro to the white race; the repudiation of the "rebel" debt; and the guaranty of the Federal debt.

These conditions were embodied in the Fourteenth Amendment, which was adopted by Congress on June 13, 1866, and submitted to the states, including the Southern states which the Joint Committee report had just declared illegal. This amendment, which constituted part of Radical reconstruction, made the Negro a citizen and granted him equal protection under the law; it provided for the reduction of representation unless the Southern states granted suffrage to the Negro; it disqualified from Federal and state offices all persons who had taken the oath, required by such office, to uphold the Constitution of the United States and afterward had supported the Confederacy; it guaranteed the validity of the national debt and forbade the payment by state or national government of the Confederate debt or compensation for the emancipation of the slaves.

The Fourteenth Amendment was to be presented to the North as the basis of final reconstruction; but the Radical leaders had no intention of stopping with the amendment, for it did not guarantee the permanent ascendancy of their party, which was a basic objec-

*The report
of the
Joint
Committee*

*The
Fourteenth
Amendment*

*Fourteenth
Amendment
not the
final basis of
reconstruction*

tive in their policy of reconstruction. It was the first installment, all that the North would approve at the time, and an excellent campaign document to be used in the critical congressional election of 1866.

*Congress,
only partly
successful,
appeals to
the Northern
people for
support*

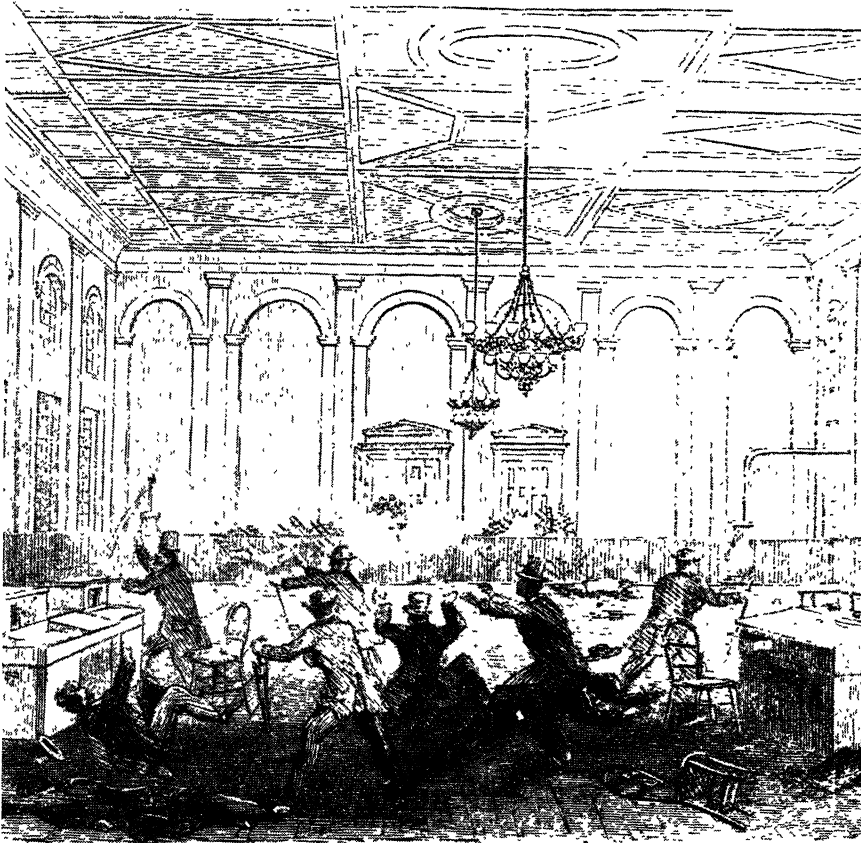
Before Congress adjourned on July 28 and its members went home to campaign for re-election, the Radicals further attempted, with some success, to strengthen their hold. They passed, over the President's veto, a Freedmen's Bureau Bill which extended the life of the Bureau two more years. However, they failed to override Presidential opposition in their attempt at admitting as states the territories of Colorado and Nebraska, which were in effect Republican "pocket boroughs." Had they been able to admit these territories as states they would have increased their majority sufficiently to override all Presidential vetoes. Failing this, they were forced to appeal to the North to sustain in the coming elections their policy of reconstruction as against that of Johnson. The Radicals must at least maintain in both houses the two-thirds majority necessary to carry their program over the Presidential veto. Johnson, on the other hand, must gain a slight margin over one third in one house of Congress in order to prevent the further overthrow of his work of reconstruction.

*The New
Orleans
riot, an aid to
the Radicals*

In the campaign of 1866 everything seemed to favor the Radicals. The first thing was the New Orleans riot. Two days after Congress adjourned a great riot occurred in New Orleans in which thirty-seven Negroes and three white Radicals were killed, and one hundred and nineteen Negroes and seventeen white Radicals were wounded, whereas one white conservative was killed and ten were wounded. To the uninformed Northerners, it looked like a "massacre" of Negroes and "Unionists" by the "rebels." In reality it was a slaughter by the city police, composed largely of ex-Confederate soldiers, of a mass of well-armed but untrained Negroes led by carpetbaggers and scalawags, who were attempting to overthrow the state government of Louisiana and replace it with a Radical government. The mayor of New Orleans had urged the Federal General Baird to send in his soldiers to prevent rioting and bloodshed, but Baird had refused to act. The mayor then telegraphed President Johnson to intervene; but Stanton withheld the telegram until after the mayor had taken matters into his own hands and brought about the "massacre" of July 30.

*Negroes
led by
Radicals*

Another riot in which a great many Negroes were killed occurred in Memphis; and there were other violent disturbances over the South. In nearly all of these race conflicts there is unmistakable evidence that the Negroes, untrained in the use of weapons of war, were led by both local and national Radical politicians into situations where they came into deadly conflict with ex-Confederate soldiers



Harper's Weekly, August 25, 1886

THE RIOT IN NEW ORLEANS—INTERIOR OF MECHANICS' INSTITUTE DURING THE RIOT.

RADICAL VERSION.

(Sketched by Theodore R. Davis.)

highly skilled in the use of such weapons. Whether the Radicals were cruelly using the Negro as a pawn in the game or whether they actually believed that the Negro and his few white leaders could succeed in gaining political control by force cannot be answered. Regardless of motives, the slaughter of so many freedmen by Southern white men stirred the indignation of the mass of Northern people. It began to look as if the guardianship of the Negro, which had been exercised through the Freedmen's Bureau, the Federal courts, and the military garrisons, was too weak to protect the Negro. Stronger measures seemed justifiable.

To counteract the effect of "Southern outrages" and the general

*The
conservative
conventions*

Radical campaign of propaganda, the friends of Johnson, under the leadership of William H. Seward, Thurlow Weed, and Henry J. Raymond, promoted the conservative National Union Convention. This convention composed of men of moderate views and representing every state North and South met in Philadelphia on August 14, 1866. Men from South Carolina and Massachusetts walked up the aisle arm in arm while the huge audience cheered wildly. Good will between the sections was encouraged by such demonstrations. The convention endorsed Johnson's policy of reconstruction. Johnson's friends also promoted a convention of sailors and soldiers which met at Cleveland, Ohio, and endorsed Johnson's policy.

*The Radical
conventions*

The Radicals held a "Unionist" meeting in Philadelphia where Southern "Unionists" were put on exhibition as victims of Southern "outrages"; and a soldier and sailor convention met at Pittsburgh to demand that the fruits of victory should not be thrown away by admitting the Southern states under the Johnson plan.

*Johnson's
swing around
the circle*

Thus, convention balanced convention; but Johnson could not hold the balance with the Radicals and their propaganda. He tried, desperately, however, and only aided his enemies. His famous "swing around the circle" was his chief and most disastrous effort at winning support in the North for his policy of reconstruction. He was invited to be present in Chicago at the laying of the cornerstone of the monument in honor of Stephen A. Douglas, and he made a tour of the principal cities of the North. At Philadelphia, New York, Cleveland, Chicago, Indianapolis; and St. Louis he made impromptu speeches in which he denounced the Radicals, frequently calling them by name, as revolutionaries worse than the Southern rebels—as enemies of their country. He was mercilessly heckled and tormented by mobsters who had been "planted" by the Radicals for that purpose, and he lost his head and replied to his tormentors. At St. Louis, for example, some one accused him of being responsible for the New Orleans riot of recent date, and Johnson replied that the riot had been planned by the Radicals—a charge borne out by evidence in Johnson's hands. At Indianapolis a crowd of hoodlums broke up the meeting. Many, perhaps most, of the newspapers jeered and mocked the unfortunate President and wrongfully accused him of drunkenness and immoral conduct. The cartoonist, Nast, and the humorist, Petroleum V. Nasby, used their pens as effectively as harpoons against the sorely wounded old man. Seldom or never in history has the head of an enlightened nation been subjected to such humiliation; perhaps none with the integrity and high morality of Andrew Johnson has been so brutally and unjustly treated.

Quite naturally the Radicals won the congressional and state elec-

tions in the fall; but it is difficult to decide to what extent the North voted *against* Andrew Johnson, *against* his policy of reconstruction, or *for* the Radical program.

*Radical
victory*

During the fall and winter of 1866-67 the Fourteenth Amendment was submitted to the states for ratification; and, despite the majority report of the Joint Committee on Reconstruction that the Southern state governments had no legal existence, Congress placed the amendment before the legislatures of these states for ratification. Since the members of the Southern legislatures—as well as most officers from governor to justice of the peace—would be declared disqualified from holding office under its provisions, the Fourteenth Amendment would have the effect of destroying all the state governments in the South with the exception of Tennessee, whose strong Unionist element of East Tennessee had already gained control of the state government. Although both Johnson and the Southern states would have rejected the Fourteenth Amendment because of this feature, they also objected to the alternatives of Negro suffrage or reduced representation. Therefore, all the Southern states except Tennessee rejected the Amendment. Tennessee, whose Governor, W. G. Brownlow, saw eye to eye with Thaddeus Stevens and whose whole government was in the hands of bitter Radicals from the mountains, was admitted to the Union on ratification of the amendment.

*The ex-
Confederate
States reject
the Fourteenth
Amendment*

CHAPTER III

The Rule of the Radical Oligarchy

THE BASIC LAWS OF RADICAL RECONSTRUCTION

*Radicals
now able
to "rebuild
from the
bottom"*

THE Radicals were gratified at the Southern rejection of the Fourteenth Amendment. There need be no further show of working with the Johnson governments and the white leaders of the South. They could, in the words of James A. Garfield, "remove the rubbish and rebuild from the bottom." That is, the Radicals would now cast aside the Johnson governments and build new states upon the Negro population—led always, of course, by Radical white men.

*The enact-
ment of the
basic laws
of Radical
reconstruction*

Lest the public be shocked by a too direct approach to their main objective, the Radicals took an indirect one. On January 8, 1867, Congress passed a law over both Johnson's veto and the almost unanimous objection of the white inhabitants granting suffrage to the Negroes in the District of Columbia. Next, on January 31 they enacted a law extending the suffrage to Negroes in the territories. These laws were favorably received in the North and the Radicals felt no further need for caution. On March 2, therefore, Congress enacted the basic laws of Radical reconstruction—the Military Reconstruction Act, the Army Act, and the Tenure of Office Act. On March 23 and July 19 supplementary acts were passed to implement and interpret the Reconstruction Act of March 2.

*The South
placed under
military rule*

The Reconstruction Act of March 2, 1867, declared that no legal state governments existed in ten Southern states still living under the Lincoln-Johnson governments, that virtual anarchy existed, and that the lives and property of loyal whites and freedmen were not protected. It divided the South into five military districts, each governed by a general appointed by the President with the consent of the Senate. The general was to preserve order, and in doing so might make use of the civil officials and courts or substitute complete martial law as his judgment might indicate. A constitutional convention was to meet and draw up a constitution satisfactory to the Radicals. To accomplish this, Johnson's "loyal electorate" was set aside and a new "loyal electorate" created, made up of the freedmen above twenty-one years of age, and such remaining whites as were not "dis-

franchised for participation in rebellion," which could mean all ex-Confederates. The constitutions drawn up by these state conventions must grant Negro suffrage and be accepted by popular vote. When the legislatures of the re-reconstructed states should ratify the Fourteenth Amendment and when that amendment had been incorporated into the Federal Constitution, the states were eligible for readmission into the United States.

Not trusting Johnson to execute this law demolishing his own reconstruction, the Thirty-ninth Congress passed a law requiring the newly-elected Fortieth Congress to convene in extra session on March 4, the very day on which the Thirty-ninth Congress expired. The Reconstruction Act of March 2 did not provide the machinery for executing the act beyond the establishment of military government; but a Supplementary Reconstruction Act was passed on April 23, 1867, which supplied the means for putting the first reconstruction act into full operation. The Supplementary Act directed the five generals who governed the ten Southern states to register all freedmen of voting age, but to register only those white men who could take the oath that they had "not been disfranchised for participation in any rebellion or civil war against the United States." The officials of the registration and election boards were required to take the ironclad test oath—namely, to swear that they had not voluntarily participated in or aided in the rebellion against the United States. This would, of course, take the election machinery completely out of the hands of Confederate Southerners and put it into the hands of Radicals and Negroes. With the new "loyal electorate," the generals in command were to proceed step by step, according to the provisions of the first reconstruction act, to establish new Radical state governments in the South.

The Radicals considered the two reconstruction acts of March 2 and 23 thorough and satisfactory; but a weakness was soon discovered by the Southerners aided by Attorney General Stanbery. The law disqualified a man from voting who had given voluntary aid and service to the Confederacy, but under Stanbery's rulings the registration officers must register all who took oath that they had not voluntarily aided the Confederacy. This seemed to the Radicals to open the door for universal registration as it was believed that most ex-Confederates were willing to take the oath in order to defeat Negro-carpetbagger rule. Congress passed the law of July 19, 1867, which gave the registration officers the right to go behind the oath of such prospective registrants and refuse to register them. The law, in effect, also instructed all military and civil officers of the Federal government to ignore any order from Johnson: Congress declared

Supplementary Act provides means for reconstructing South

Registration officers authorized to refuse to register ex-Confederates

itself as the final authority and made General Grant the chief instrument for enforcing the reconstruction acts.

The remaining two acts of March 2 which constituted the other basic elements of congressional reconstruction were, as previously stated, the Tenure of Office Act and the Army Act. They were intended to curtail seriously the constitutional powers of the executive.

*The President
deprived of
right of
removal by
Tenure of
Office Act*

The Tenure of Office Act prohibited the President from removing, except with the consent of the Senate, office holders confirmed by the Senate. Cabinet officers were to hold office during the term of the President who appointed them and one month after. In case the President should remove a Cabinet officer while Congress was not in session, he was required to report the matter to the Senate not later than twenty days after Congress convened. The Senate was free to disapprove the President's removal and reinstate the officer. Johnson had been dismissing many Radical officers and appointing in their stead men in agreement with his policy, and there began to be indications that he would get rid of his Radical Secretary of War, Edwin Stanton. Should Johnson oust Stanton and appoint a Secretary of moderate views, the Radicals were sure that the reconstruction acts would not be administered according to their true purpose. Although the Constitution is not specific as to the right of the President to remove those office holders whose appointment must be confirmed by the Senate, nevertheless, the Presidents had exercised this power almost from the beginning of the Federal Union, particularly in the matter of Cabinet officers.

*The President
deprived of his
authority as
commander-
in-chief by
the Army Act*

The Army Act deprived the President of the right to issue orders except through General Grant, nor could he relieve Grant—or his successor—of command nor assign him to duty outside of Washington except by request of the General or with the approval of the Senate. Secretary of War Stanton and Representative G. S. Boutwell secretly drafted this law which boldly deprived the President of his constitutional powers as commander-in-chief of the army. Some features of the third reconstruction act of July 19 were supplementary to this act.

These reconstruction acts and other laws to implement them revolutionized the legal structure of the Federal government in open disregard of the Constitution. Thoughtful and farsighted leaders of all parties, and the Southern people generally, who would be immediately affected by Radical reconstruction, were fearful of the revolutionary trend away from constitutional government and toward unrestrained congressional rule operating through the army. Under the fanatical leadership of Stevens and Sumner such government

would be a Radical oligarchy; but with "the man on horseback" outlined in the Army Act, it seemed probable that it would become a military dictatorship.

RADICAL INTIMIDATION OF THE SUPREME COURT

Johnson and those who thus foresaw the direction of Radicalism hoped that the Supreme Court of the United States would intervene to save constitutional government. At first the Court made an effort to do so; but it was quickly crippled and intimidated by congressional acts and threats. In the case of *ex parte Milligan* in 1866, it seemed as if the use of the army as a governing agency would be broken. Milligan was one of the thousands who, during the Civil War, had been either jailed without charge or trial or tried by military courts in the North where the civil courts were open. Milligan had been convicted in 1864 by a military tribunal on charges of disloyalty. In reviewing the case in 1866, the Supreme Court held that the Federal government had no constitutional authority to establish martial law or to try civilians by military courts wherever the civil courts were open. This decision rendered illegal those military trials and executions of persons accused of conspiring in the plot which resulted in the assassination of Lincoln. There were other military trials and executions whose legality was brought into doubt by the Milligan case. Most important, however, the principle of the Milligan decision, if applied in the case of the military reconstruction acts of the Radicals soon to be put into force, would have resulted in these acts being declared unconstitutional.

Two other Supreme Court decisions soon after the Milligan case aroused the hopes that the respect for constitutional principles might be forced upon the Radicals. In *Cummings vs. Missouri*, December, 1866, the Supreme Court held that the Missouri law barring ex-Confederates from several professions was unconstitutional because it was an *ex post facto* law. In *ex parte Garland*, January, 1867, the test-oath law barring ex-Confederates from practicing before the Federal courts was declared *ex post facto* and unconstitutional.

In the cases of *Mississippi vs. Johnson* and *Georgia vs. Stanton*, Mississippi and Georgia attempted to obtain injunctions to restrain the President and the Secretary of War from enforcing the recently enacted reconstruction laws. The Supreme Court, aware of the election returns, avoided committing itself on the constitutionality of the Radical reconstruction acts. In the case of *ex parte McCordle* the Court, apparently intimidated by the radical trend of public opinion and by the threats of Thad Stevens, retreated. General Ord, military

*The Court
a threat to
Radical
reconstruction:
ex parte
Milligan*

*Other
Supreme
Court
decisions*

*Cummings
vs. Missouri*

*ex parte
Garland*

*Mississippi vs.
Johnson*

*Georgia vs.
Stanton*

*ex parte
McCordle*

governor of the district of Mississippi and Arkansas under the military reconstruction acts, on November 13, 1867, had arrested Colonel McCardle, newspaper editor of Vicksburg, Mississippi, for criticizing Ord's administration. McCardle, acting under the *Habeas Corpus* Act of 1867, had obtained his release on a writ of *habeas corpus* from the Supreme Court. If his case had been tried before a Supreme Court that had not been intimidated, the Radical reconstruction laws in accordance with the Milligan decision doubtless would have been declared null and void. The Radicals would not let this happen. After the Milligan case, they had reduced the number of judges on the Supreme Court from nine to seven, by providing that the two vacancies then existing on the bench should not be filled during the Johnson administration. Now that the constitutionality of the military reconstruction acts might be tested, the Radical Congress passed a law, in March, 1868, over Johnson's veto, withdrawing from the Court the authority to issue writs of *habeas corpus*, and effectively taking away from the Court jurisdiction over the McCardle case and any others that might bring into question the constitutionality of the reconstruction acts. The Supreme Court accepted this curtailment of its authority with undignified haste, and denied that it had further jurisdiction in cases relating to congressional acts dealing with reconstruction.

THE RADICAL ATTEMPT TO REMOVE THE PRESIDENT

*Early
efforts at
impeachment*

By the spring of 1868 the Supreme Judiciary and the Chief Executive were thus stripped of their positions as two of the three coequal departments of the Federal government and placed in a subordinate and humiliating position. But the extreme Radicals were not satisfied. Led by Stevens they proposed to oust Johnson from the Presidency by impeachment proceedings. For the purpose of intimidating the President and in the hope of finding evidence on which to base impeachment, a continuous investigation was carried on and voluminous reports were made by the House during the spring and summer of 1867. The great majority of the House favored impeachment if enough "evidence" could be obtained to satisfy the public; and most of them, indeed, were expecting Johnson soon to furnish the necessary grounds for impeachment by dismissing his disloyal Secretary of War, Stanton, which, so the Radicals assumed, would violate the Tenure of Office Act.

*Johnson's
suspension
of Stanton
from office;
Grant's break
with Johnson*

As anticipated, the President suspended Stanton in August, 1867, and appointed General Grant as Acting Secretary of War. In accordance with the provisions of the Tenure of Office Law, Johnson reported his dismissal of Stanton to the Senate and urged that his

procedure be sustained; but that body refused to confirm the President's action. In the meantime, Johnson, in anticipation of the Senate's refusal to sustain his dismissal of their representative in the Cabinet, had urged General Grant to refuse to hand the office back to Stanton, so that the case might be tried before the courts and the constitutionality of the Tenure of Office Act be tested. But Grant, who stood in awe of Stanton and of the Radicals in Congress, could not bring himself thus to defy them. He did promise, however, in the presence of the Cabinet that, if he decided not to retain the office, he would resign before the Senate made its decision, so that another Acting Secretary of War might be appointed. This would force Stanton to bring legal proceedings against the Acting Secretary of War and thus test the constitutionality of the Tenure of Office Act. Grant neither held on to the office nor retired in time to permit Johnson to appoint another man, but turned it back into the hands of Stanton. Johnson untactfully denounced Grant as a liar, and the General went completely over to the Radicals.

On February 21, 1868, after five weeks of indecision, Johnson dismissed Stanton and appointed as Acting Secretary of War, Adjutant General Lorenzo Thomas. Thomas was quickly put under arrest for violating the Tenure of Office Act; but before Johnson had an opportunity to test the constitutionality of the law in the courts, the Radicals saw their blunder and had Thomas released. Stanton barricaded himself in his office and continued as Secretary of War in violation of the President's order of dismissal.

*Stanton's
refusal to be
dismissed*

No sooner had Johnson ordered Stanton to relinquish the office than the latter hurried a messenger from his fortified office to inform the Radical leaders of the President's actions. The Radicals were overjoyed at the President's walking into their trap. Now they could impeach and remove him from office on the charge of violating the Tenure of Office Law and for other acts. The House by a party vote passed a resolution to impeach Johnson "of high crimes and misdemeanors in office" and brought eleven charges against him. The first eight charges dealt with the President's alleged violation of the Tenure of Office Act in dismissing Stanton. The next two asserted that Johnson had committed "high crimes and misdemeanors" by his hostile criticism of Congress—in which he had spoken of the Radicals as revolutionaries, as a "rump" body and the Joint Committee on Reconstruction as the "Directory"—and by his constant denunciation of the Radical reconstruction laws as unconstitutional. The eleventh, which was primarily the work of Stevens, charged the President with "high crimes and misdemeanors" for opposing and presumably obstructing the Radical policy of reconstruction.

*The im-
peachment of
the President*

The impeachment trial

These charges were presented to the Senate on March 4, 1868, by seven managers from the House, and on the following day the Senate organized as a court with Chief Justice Salmon P. Chase presiding. The eager and confident Radicals allowed only ten days for the President and his attorneys to prepare the defense. Thaddeus Stevens,



*Courtesy of The New York Historical Society,
New York City*

BENJAMIN BUTLER.

almost on his deathbed, and Benjamin F. Butler were the two most prominent members of the House Committee conducting the prosecution; and they represented a majority in the House who were willing to remove Johnson on a mere party vote without reference to the law. Johnson was represented by some of the ablest lawyers in America, for among his counsel were Attorney General Henry Stanbery, William M. Evarts, and Benjamin R. Curtis, former Associate Justice of the United States Supreme Court. Despite the short time for preparation, they quickly demolished the legal

basis for the impeachment charges and demonstrated with complete clarity that the attempt to get rid of the President was political and partisan. The removal of Stanton, they contended, did not violate the Tenure of Office Act, because this act provided that a Cabinet officer was to hold office—unless the Senate agreed to his dismissal by the President—only during the term of the President appointing him and one month afterward. Stanton was appointed by Lincoln and the act did not protect him. Furthermore, because the President and his Cabinet believed that the act was unconstitutional, the only means for testing the constitutionality of the law was to dismiss Stanton so as to bring the case before the court. The attempt to test the constitutionality of a law could scarcely be considered grounds for the impeachment and removal of a President.

*The failure
of the
Radicals
to oust the
President*

As the impeachment trial proceeded and the partisan motives became clear to the public, the more cautious Republican Senators showed less and less willingness to lend their aid in removing the President. Senators Lyman Trumbull, John B. Henderson, W. P. Fessenden, and James W. Grimes, after hearing the evidence, were convinced that Johnson was innocent of any unlawful act, and they

let it be known that they would vote for acquittal. When the vote was taken on the various charges, three other Republicans, J. S. Fowler, E. G. Ross, and P. G. Van Winkle were found to be for acquittal. The twelve Democrats and these seven Republicans cast their vote against conviction of the President, and the vote stood 19



COMING INTO PORT.

Harper's Weekly, May 2, 1868.

in favor of acquittal and 35 for conviction. Thus the Radicals lacked one vote for removing the President. However, there were other Senators who would have changed their vote in favor of acquittal had they believed it necessary to do so in order to save the President and his high office from the degradation planned by the Radicals.

While the trial was in process, Johnson had wisely nominated General J. M. Schofield, in whom both Radicals and conservatives had confidence, to succeed Stanton; and the appointment was proof enough to those in a reasonable state of mind that Johnson was not trying to evade the enforcement of the reconstruction acts by placing a personal "tool" in that office. The nomination of Schofield on April 23 during the trial no doubt strengthened the hands of the seven Republicans who were to join the Democrats in sustaining the President.

General
Schofield's
nomination
as Stanton's
successor

The impeachment trial cleared the atmosphere to a considerable degree. The failure to convict the President on partisan, political grounds preserved the independence of the office of the Chief Executive, which otherwise might have become subordinate to Congress. Although Johnson did not become popular in the North, the trial revealed his honesty of purpose and his good faith in executing laws that he believed unconstitutional. At the same time it caused many to doubt the good faith of the Radicals. Public opinion in the North definitely was rapidly moving away from support of the Radical policy of reconstruction. Only the "admission" of eight reconstructed Southern states, dominated by carpetbaggers, enabled the Republicans to stem the tide flowing against them in 1868. But more of this later.

THE ESTABLISHMENT OF RADICAL STATE GOVERNMENTS IN THE SOUTH

*The rule of
the major
generals*

Despite his conviction that the Radical reconstruction acts of March 2, 23, and July 19 were unconstitutional and revolutionary in purpose Johnson proceeded to put them into effect without delay. He appointed the five generals over the five military districts into which the South had been divided. Most of these men were honest and capable; some were Radicals, some moderates, and others conservatives, but all were aware of their obligations to fulfill the letter and the spirit of the reconstruction laws whether they approved of them or not. The full significance of military government was soon apparent to the Southern people in the relation of the generals with the Johnson government. At first the civil officers of the states were instructed to continue to perform their official duties during good behavior; but the complaints of Freedmen's Bureau clerks, Negro, scalawag, and carpetbag office seekers against state and local officials, together with an obvious reluctance on the part of some of the state officials to "co-operate," soon resulted in wholesale removals; and their places were filled with carpetbaggers and native Radicals. In Virginia, Georgia, Louisiana, Mississippi, and Texas even the governors were removed. The personnel of the provisional governments under the major generals furnished an excellent preview of the Radical governments soon to be set up under the reconstruction acts. The generals were not modest in the least about exercising the full powers of government during the period of almost a year—three years in Mississippi, Virginia, and Texas—when the new state governments were being set up. In addition to removing thousands of elective officers from county clerks to governors, they suppressed numerous newspapers and jailed the editors for criticising reconstruction, closed churches, prohibited public meetings, stopped court proceed-

ings, dismissed juries, and required jurors to take the ironclad test oath which excluded ex-Confederates. They enacted laws, levied taxes, and made appropriations from the state treasury.

The first step taken under the reconstruction acts toward establishing state governments was the registration of voters, which was completed by October, 1867. In each state a general registration board with supervisory powers was established—although the military commander retained the final authority to revise the list of voters. In each county and town local registration boards that were to do the actual registration were established. They usually had three members, who were required to take the ironclad test oath, and registration was thus placed completely in the hands of the Radicals. The registrars listed Negroes without question, so that many were qualified to “repeat” in several neighboring precincts, whereas the whites were frequently refused registration where they were qualified even under the Radical law. The authority given the registrars, states W. L. Fleming, to use their own discretion as to a man’s qualifications to register “was invoked to carry the disfranchisement of the whites far beyond the intention of the law in an attempt to destroy the leadership of the whites and to register enough Negroes to outvote them at the polls.” The purpose of the Radicals was thoroughly fulfilled. In the ten Confederate States, where the whites outnumbered the Negroes nearly two to one, there were 703,000 Negroes and only 672,000 whites registered. In several states Negro majorities were registered, and in the others the Radical whites and colored voters combined were in a majority. Assuming, as the Radicals did for good reason, that the Negroes would vote the Radical Republican ticket and that the majority of Southern whites who were permitted to vote would oppose the Radical Party, it took only simple arithmetic to prove that the Radicals under white disfranchisement and Negro enfranchisement had the bulk of Southern states “in their pocket.”

The next step in Radical reconstruction was to have a double election in each state: one on whether a constitutional convention should be held, and the other on the choice of delegates to the convention should it be held. Since the law required that a majority of registered voters must vote in the election to make it valid, many of the whites attempted to defeat the calling of conventions by abstaining from voting. But the Negroes, coached by the Union Leagues and other Radical agencies, came to the polls in full strength, and a sufficient number of whites cast their ballot to bring the total vote to a majority of all who had registered. Quite naturally, the policy of part of the ex-Confederate element of abstaining from voting resulted in the constitutional conventions having larger Radical

Radical
discrimination
against
Southern
whites in the
registration
of voters

The whites
vainly attempt
to defeat the
calling of
conventions
by refusing
to vote

majorities than they would have had if all the Southern whites not disfranchised had participated in the elections.

*The Radical
state con-
stitutions*

The constitutions of most of the states were completed by the spring of 1868. These were alike in their vengeful attitude toward native Southern whites; for, with some exceptions, the disfranchisement of ex-Confederates went further than the provisions of the Radical reconstruction acts of 1867. The constitutions accordingly disregarded the customs and mores of the South and lowered or abolished the legal sanction of race barriers. In South Carolina and Louisiana all race lines were abolished. On the other hand, there were many features to these new constitutions, most of which were taken from some of the newer constitutions of the Northern states, that the Southern whites regarded with approval. For example, many of the educational provisions, although not appropriate at the moment for the ruined and impoverished South, were to be utilized later.

*Efforts
to defeat
the state
constitutions*

The new constitutions, as provided for by the reconstruction acts, were to be submitted to the voters registered under these acts; and should a majority of those registered not vote, the constitutions would fail of adoption. The ex-Confederate Southerners, now better organized than in the former elections on the conventions, thus defeated the constitution in Alabama. In Mississippi a majority voted against the constitution and prevented its adoption; Texas remained under military rule by the convention's failure to provide for a referendum on the constitution. In Virginia General Schofield considered the constitution so unjust that he refused to authorize the payment of election expenses and Virginia remained under military rule for two years more.

*The Radicals
change the
rules in
the middle
of the game*

But the action of Alabama in defeating the constitution by abstaining from voting so alarmed the Radicals that Congress passed a law, March 11, 1868, which scotched the abstention policy. It provided that the majority of votes cast in the election would decide the fate of the state constitutions. It also provided that all the Southern states—including Alabama—in which a majority of those voting had voted for the constitutions might proceed to elect Senators and Representatives to Congress. The Radicals were getting as many Southern states as possible "ready" for voting the Republican ticket in the general election of the fall of 1868.

*The Radicals
in need of
the Southern
"pocket
boroughs"
to maintain
themselves
in power*

The Radicals were worried in 1868. The states of Minnesota, Michigan, Kansas, and Ohio had just rejected Negro suffrage and thus repudiated the basic principle of Radical reconstruction, whereas in the entire Union only five New England states and New York permitted the Negro to vote. In the fall elections of 1867

Pennsylvania and New York had gone Democratic. Ohio had elected a Democratic legislature, and had elected the Republican, Rutherford B. Hayes, governor by a narrow margin of 3000 votes. Everywhere in the North the Republican Party was losing its grip. Its reconstruction policy, particularly Negro suffrage, was becoming unpopular despite the constant revival of Southern "outrage" propaganda. The Radicals were finding themselves in need of the Southern "pocket boroughs" in order to maintain themselves in power. This is why they changed the law after Alabama defeated her constitution by abstention, and why on June 22 and 25, 1868, Congress passed laws readmitting seven Southern states with Radical governments before the Fourteenth Amendment became part of the Constitution as required by the reconstruction laws. The admission of seven Southern states whose governments were based largely upon Negro suffrage would, with Tennessee, which had already been admitted for the same reason, assure the Radicals of a great accession of pliant colleagues in Congress. It further assured them of a huge backlog vote in the Presidential campaign already beginning: the solid South would vote Radical Republican. The ascendancy of the "Party of the Union" seemed assured in 1868, and assurances were strengthened in 1870 by the admission of Mississippi and Texas with their Radical state governments, Senators, and Congressmen.

THE UNION LEAGUE AS A RADICAL PROPAGANDA AGENCY

The assumption of the Radicals in and out of Congress that the Negroes would support the Republican Party was based in part upon an estimate of the Negroes' gratitude to that Party for their emancipation and even more upon the effectual work of political education which had been carried on by the Freedmen's Bureau, the missionary schoolteachers and preachers, and particularly by the Union League.

Reference has already been made to the work of the Bureau and the educational and religious missionaries in alienating the Negroes from the Southern whites. Let us examine briefly the Union League through which the Bureau and the missionaries operated jointly. During the Civil War this League was formed in the Northern states to bolster morale, combat the Copperhead movement, and to act as a bureau of propaganda for the Radicals and as a pressure organization to influence Congress and the President. With the progressive conquest of the South, Loyal League councils or lodges were organized, into which flocked Unionists, Confederate deserters, and civilian members of peace societies, such as the Heroes of America, the Red Strings, and the Peace Society. The Union League, whose leadership in the Black Belt was composed of the missionary school teachers,

The establishment and operation of the League

year. In 1870 Tennessee was lost to the Radicals; but the accession of Texas and Mississippi to their ranks gave them nine Southern states as "pocket boroughs" for the election of 1870. By this time, too, the Fourteenth and Fifteenth Amendments had become a part of the Constitution. With the Negro safely Republican, possessed of full civil and political rights, and the Confederate States "readmitted" into the Union, one might reach the conclusion that the reconstruction of the South was completed. But such a conclusion would overlook the fact that the Southern states were in the hands of an ignorant, inexperienced, ex-slave minority which must be maintained in power by outside direction and the armed forces of the United States. So in 1870 with all the Southern states "readmitted," and their governments reconstructed, reconstruction was only beginning. The phase after readmission may well be called the rule of the puppet state governments.

Let us turn to the South and observe the Negro-carpetbag state governments. These governments, established under the reconstruction acts of 1867, lasted from about three to nine years. Only one state, Virginia, escaped to some extent after three years of military rule. All these states had many common experiences, although reconstruction bore harder on some than on others. Those on whom it bore the hardest had a large Negro population like South Carolina, Louisiana, and Mississippi.

The executive powers of the Radical state governments were concentrated in the hands of the governors. This was, in part, due to the scarcity of capable leaders; for, as previously suggested, the swarm of carpetbaggers who came South were, with few exceptions, men of no intellectual or political distinction in the Northern communities from which they came. It was, in part, due to the over-all purpose of the Radical leaders at Washington, who could thus exercise a more effective direction over affairs in a reconstructed state. As the Radical "*gauleiter*," to use a term of the Second World War, the governor could appoint and remove most of the state officials; he directly—or indirectly through his power of removal or appointment—had control of state and county funds; he could raise and command the state militia; and, of course, he could call upon the Washington authorities for Federal troops. Since the few thousand carpetbaggers were not in the South for their health, the "Radical rings" created, through legislative action, many times more offices than had existed in the prosperous ante-bellum days, and fat salaries were paid.

*Concentration
of power in
the gov-
ernors*

The scalawag and carpetbag governors were certainly not of the first order intellectually. All were, of necessity, politically corrupt,

*Corruption
of the
Radical
governors:
"Railroading"*

and many were without personal honor. Governors R. K. Scott and F. J. Moses of South Carolina had been notoriously corrupt and dishonest before becoming governors. Moses had admitted receiving a large bribe for his vote as speaker of the South Carolina House of Representatives. H. C. Warmoth, M. L. Stearnes, and W. P. Kellogg all extracted fortunes from the public till. The governors and the "Radical ring" of subordinates not only collected their salaries and fees, but looted the states in which they operated. The most profitable source of loot was "railroading." Railroad corporations would be permitted, even before a mile of track was laid, to issue bonds which the state would endorse by act of the legislature or sometimes merely by executive signature (which would be invalid). The governors and legislative leaders would charge the railroad for their "services" a share of the bonds which were sold in the East at whatever they would bring. Such procedure left both the states and railroads heavily indebted and resulted in all too little railroad building. Both the governors and legislative leaders not infrequently organized fictitious railroad corporations, which, of course, never built a mile of track, but which issued millions of dollars in bonds guaranteed by the state. These bonds were sold and the money went primarily into the pockets of the carpetbaggers.

*Sale of
offices*

Then the "Radical ring" bought and sold offices as if dealing in stocks and bonds. These offices were made to pay. For example, clerical employees in the state auditor's office of Arkansas, which under the Johnson government were paid \$4000, under Radical rule in 1873 were paid \$92,000. The cost of state printing rose into millions. From top to bottom it was thus.

*State and
Federal
district
courts corrupt*

The "fountain of justice," the state and Federal judiciary of the South, was polluted. Supreme Court Judge R. K. Scott of South Carolina advertised his decisions for sale, and was promoted to the governorship of the state as due reward for such "services." F. J. Moses, who later became governor, already had a criminal record as a thief when made judge in South Carolina; and it was estimated by Governor D. H. Chamberlain, the last carpetbag governor of South Carolina, that there were two hundred South Carolina trial judges who not only had no knowledge of the law, but could neither read nor write.

*Ignorance
and corruption
of the
Radical state
legislatures*

The state legislatures were, if possible, more corrupt and possessed of a lower intellectual level than the judiciary. The Radical vote, predominantly Negro in some of the Black Belt states, was for sale. There were fixed prices ranging from a few dollars on minor bills to several hundred on a bill to support a railroad by state endorsement of railroad bonds. In Louisiana a railroad bill, accord-

ing to the testimony of a witness, cost \$80,000 in the purchase of the legislature and more than that when the signature of the governor was obtained. The legislatures voted themselves extra mileage and "legislative supplies" consisting of such articles as bacon, country hams, feather beds, perfume, corsets, bustles, monogram cut glass, furniture, whiskey, wines, and champagnes. The South Carolina legislature maintained for itself a free restaurant which cost the state \$125,000 during one session. James S. Pike, a Republican writer, visited the South Carolina legislature during the period when it was composed largely of the recently freed slaves. In a book entitled, *The Prostrate State*, he makes some shrewd observations and descriptions, not unsympathetic to the Negro, but realistic as to the larger meaning:

In the place of this old aristocratic society stands the rude form of the most ignorant democracy that mankind ever saw, invested with the functions of government. . . . It is barbarism overwhelming civilization by physical force. It is the slave rioting in the halls of his master, and putting that master under his feet. And, though it is done without malice and without vengeance, it is nevertheless . . . completely and absolutely done.

In all this the Negro, unlettered, untaught by experience and tradition, and unaware of the moral responsibility attached to the political franchise and power, was being used to his great detriment by fanatical abstractionists like Sumner and political opportunists like B. F. Butler. Tragically, the Negro would be made to pay for mistakes for which he was only in the smallest degree responsible.

*The Negro
used by
Radicals*

As previously observed, the Civil War had destroyed much of the accumulated wealth of the South: all moneys, all bonds related to the Civil War, the investments represented by nearly four million slaves, much of the physical equipment including buildings, industrial plants, railroads, bridges, fences, livestock, etc. But there remained the land, which could still produce cotton, tobacco, sugar cane, and rice. This one remaining form of capital wealth was made to carry much of the burden of the Radical governments described above. In addition to mortgaging the future of the Southern states by the sale of from two to three hundred millions of dollars in bonds, the carpetbag-Negro regime levied an unbearable tax load upon the land. For example, the state tax rate was increased 800 per cent in Louisiana and 1400 per cent in Mississippi, and other states suffered similar burdens. Such a burden was more than tens of thousands of farmers and planters could carry, and great empires of land were sold for taxes under the sheriff's hammer. In Mississippi alone an area

*The sale
of bonds
and the great
tax burden
on land*

the size of Massachusetts and Rhode Island combined was sold in one year because the owners were unable to pay the taxes. It was at this time that white tenancy in the South acquired its impetus; for many of those who lost their lands were small farmers.

MAINTAINING THE RADICALS IN POWER IN THE SOUTH

*The
Fifteenth
Amendment*

Although the Southern state constitutions had all provided for Negro suffrage, farsighted Radicals in Washington had from the first seen the necessity of granting the Negro the ballot by amendment of the Federal Constitution. The action of Virginia in avoiding Radical rule, the overthrow of the Radical party in Tennessee in 1869, its impending overthrow in Georgia, and the conservative trend in other states, all warned that the ex-Confederates and conservative Unionists, who were uniting everywhere against Negro-carpetbag and scalawag rule, would eventually gain control, and, if not prevented by the Federal Constitution, would repeal the provisions of the state constitutions granting suffrage to the Negroes. The result was the Fifteenth Amendment which states that:

The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of race, color, or previous conditions of servitude.

This Amendment was soon ratified, and became part of the Constitution early in 1870.

*The first
force bill*

The growing effectiveness of Southern white opposition to Radical rule, which manifested itself occasionally in violence and open intimidation of the Negroes and carpetbaggers or in secret intimidation by the Ku Klux Klan, brought quick action from Congress, which was looking to its own re-election in the fall of 1870 and the re-election of Grant in 1872. On May 31, 1870, Congress passed the first enforcement act or "force bill." The substance of this law was that no state or individual could lawfully abridge the right to vote granted by the Fifteenth Amendment, or the equality of civil rights granted by the Fourteenth Amendment on account of race or previous condition of servitude. Such act of a state would be void. If an individual or groups of individuals—as the Ku Klux Klan—interfered with the right to vote or with any of the civil rights of a citizen, they would be subject to heavy penalty. The Federal courts were given jurisdiction over all offenses under the law; and the marshal, deputy marshal, and military force of the United States were placed at the disposal of the court to enforce the law.

Despite this law, most of which was later declared unconstitutional, North Carolina and Georgia both cast off Radical control in the

latter part of 1870. Actually there did not seem to be widespread intimidation of Negroes and Radical whites in those states; but Congress, nevertheless, viewed such happenings with alarm, and on February 28, 1871, passed the second force act, which was declared to be an amendment of the act of May 31, 1870. It placed the election of members of Congress under Federal jurisdiction; and since the state elections in the South fell on the same day as the Federal election, it actually placed the election of state officials under Federal surveillance. The judges of United States courts were empowered to appoint election supervisors; and the Federal marshals were to appoint a sufficient number of deputies to prevent any interference with the casting of votes. Actually, this law enabled Radical marshals and their deputies to interfere with the voting of those who opposed them, not only in the South, but, ironically, in the Northern cities.

*The second
force bill:
Federal
control of
elections*

In anticipation of the loss of more Southern states to the Radicals in the congressional and Presidential election of 1872, rather than because of the greater activity of the Ku Klux Klan, Congress passed, ostensibly at Grant's suggestion, the third enforcement act, known as the Ku Klux Klan Act. This further strengthened the enforcement machinery provided by the two previous acts by giving the President the authority to declare the existence of a state of rebellion and to suspend the writ of *habeas corpus* in the parts of the South where the activities of the Klan seemed to make such action advisable.

*The Ku Klux
Klan Act*

With this law and its two predecessors the Federal government in 1871-72 instituted a reign of terror in North and South Carolina, Mississippi, Alabama, and Tennessee. Although Grant declared a state of war and suspended the writ of *habeas corpus* only in nine counties in South Carolina, he made as free use of the soldiers in the other states as in South Carolina. Several thousands of the most prominent men, chiefly in North Carolina, South Carolina, and Mississippi, were arrested and thousands of others fled the country to escape the grasp of the marshal and his deputies, the United States soldiers, and the black-and-tan state militia. Four hundred and ninety-seven were convicted in Mississippi in the period 1872-74; one hundred and fifty-four in South Carolina, 1871-74; three hundred and fifty-eight in North Carolina, 1871-74—only a small fraction of those arrested.

*A reign
of terror
instituted
by the Federal
government*

Federal troops not only helped to execute the force acts of 1870-71, but on occasion they were also sent into the states to oust the native whites and restore carpet-bag-Negro rule. Soldiers with fixed bayonets purged the Georgia legislature of its conservative members in 1870; the Alabama and Louisiana legislatures were purged in 1872. In Louisiana in 1872 the conservatives won the governorship and had a

*The use of
Federal troops
in maintaining
Radicals in
power in
Alabama,
Georgia,
and Louisiana*

majority in the legislature; but United States marshal, S. B. Packard, with the aid of United States troops seized the state house and turned it over to W. P. Kellogg, the defeated candidate, and to the Radical legislature composed partly of defeated candidates. This action was approved by Grant. In 1874 the white people won control of the Louisiana legislature; but soldiers marched into the state house and at the point of bayonets drove out enough conservatives to give the Radicals the majority.

*Grant's
intervention
in Arkansas*

In May, 1874, Grant intervened in Arkansas between the rival governments of Joseph Brooks and Elisha Baxter and recognized Baxter. Baxter showed some sympathy with the native white element, however, and agreed to the holding of a constitutional convention. The election on the constitution was held in October, 1874, and at the same time a Democratic or "conservative" state government, with A. H. Garland as governor, was chosen. In the following February Grant advised Congress that Brooks should now be seated; but the House, less Radical now, failed to support him.

There were numerous other such interferences; but these suffice to illustrate the method by which the President of the United States was able to keep the puppet governments in power.

*Local
devices for
maintaining
Radical
control:
Negro militia
and the
election
returning
boards*

The Negro militia and election returning boards—backed by United States troops—to which some reference has been made, were the chief local devices of the carpetbaggers for retaining power. The Radical state governments prohibited by law or otherwise the organization of white militia, and in many instances attempted to disarm the whites. At the same time they authorized the organization of a Negro militia. In South Carolina R. K. Scott, carpetbag governor, enrolled 96,000 Negroes in his militia, 20,000 of whom were organized and armed. In Arkansas the Negro militia terrorized the state, invading and searching the homes of the white people ostensibly for arms. The Radical governors of North Carolina, Mississippi, Tennessee, and Louisiana had similar organizations which were intended to overawe and terrorize the native white people. But the capstone of Radical control was the election returning boards, whose decisions were backed by the President, Congress, the army, and the Negro state militia. These were county and state boards and were composed of Radicals. The state board was usually headed by the governor assisted by the chief administrative officers. If they did not like an election, they simply declared that fraud, violence, or intimidations had been used, and either threw out the election or arbitrarily placed it in the Radical column. Under such circumstances, elections in every state had been thrown out or changed by the state board; and it was in support of these boards that Grant sent in troops and had

arrests made to reinstate the Radicals. As long as the President and Congress supported such boards by force it mattered not how often and to what extent the white people won, they would not be permitted to take control of their state governments; but this support weakened in time.

CHAPTER IV

The Grant Regime in National Politics

THE ELECTION OF 1868

*The
reaction
against
Radical
control*

RETURNING now from the survey of Radical rule in the Southern states, let us look at it in its national aspects. It has already been noted that the campaign of 1866 was a veritable tidal wave in favor of the Radicals. In 1867, however, there was a great reaction against Radicalism in the state elections. The Democrats, under the leadership of Tilden and Horatio Seymour, carried New York; they won in Pennsylvania; and in Ohio they defeated the Negro suffrage amendment by 50,000 votes and came within 3000 votes of winning the state elections.

*The reaction
checked by
admitting
seven
Southern
States and
nominating
Grant*

This reaction against Radicalism portended defeat for 1868 unless the Radicals could circumvent the trend. This they did, by "readmitting" seven Southern states in time to cast their votes for the Radicals and by the "drafting" of General Grant as Presidential nominee. Grant was unanimously nominated on the first ballot. Under the Army Act of March 2, 1867, Grant, more than Johnson, had had charge of Radical reconstruction, a duty which he had performed to the complete satisfaction of the Radical Republicans. His personal quarrel with Johnson had further endeared him to the Republicans; but the most important consideration in nominating Grant was that the Union soldiers would tend to support him regardless of party, which assured the Republicans of a great increase of strength.

*The
Republican
platform*

The Republican platform naturally endorsed Radical reconstruction and offered the American people congratulations at its "assured success"; it explained that, although Negro suffrage must be imposed upon the Southern states by national authority, it was a matter for each Northern state to decide for itself. The platform promised that payment of the national debt should be made "in the utmost good faith to all creditors." This was vague enough not to antagonize the greenback element in the West, but at the same time it implied, for the Eastern bond holders, a promise to pay the national debt in specie. The Republican platform demanded the "strictest economy in government"; proclaimed that the corruptions "so shamefully nursed and fostered by Andrew Johnson" "called loudly for radical reform"; and promised a reduction of taxes. The most effective plank in the platform—one that would pay increasing dividends to the

Republican Party—was the promise to the Federal soldiers, their widows, and orphans, of pensions, bounties, and preferential treatment. A strong bid was made for the foreign, particularly the Irish, vote by expressing sympathy for oppressed peoples “strugg’ing for their rights” and by proclaiming it the duty of the United States to intervene in behalf of its naturalized citizens imprisoned by foreign countries—a reference to the Irish-American Fenians whom the British government arrested in Ireland on charges of fomenting rebellion. The platform condemned President Johnson in vituperative language and lauded the Senate for casting 35 votes in favor of convicting him.

The convention, which had unanimously nominated Grant for the Presidency, named for the Vice-Presidency, Schuyler Colfax, the Republican Speaker of the House of Representatives. Grant accepted the nomination in a characteristically brief letter in which he promised, if elected, to “administer all laws in good faith, with economy and with a view of giving peace, quiet, and protection everywhere.” He concluded his letter with the famous words, soon made ironic by the events of his administration, “Let us have peace.” Politically, the Republican Party had shown great acumen. It had promised favors to nearly all groups in the North and to the Negroes in the South; and had nominated the great soldier, U. S. Grant, on whose popularity it could depend to lead it to victory should all else fail.

To the Democratic convention that met in New York on July 4 there were two principal issues: reconstruction and the payment of the war debt in greenback currency. The party platform scathingly denounced the work of the Radicals in the South. Instead of restoring the Union, it asserted, they had placed ten Southern states under “military despotism and Negro supremacy,” and had so embittered the South that real union was further off than ever. This whole reconstruction policy was denounced as “unconstitutional, revolutionary and void.” The platform boldly grappled with the currency question, which was almost as important to Westerners as reconstruction. It incorporated the greenback plank of George H. Pendleton of Ohio. This was the proposal that the government war bonds be paid off in greenback currency unless the law covering a particular issue of these bonds specified that they should be paid off in specie. To Westerners this “Ohio idea,” as it was called, looked like simple justice since a considerable portion of the bonds had been purchased from the government with depreciated greenbacks during the war.

Although the convention incorporated the greenback plank of the West, the Eastern Democrats were unwilling to support Pendleton, its author, for President. They were, perhaps, as favorable to Chief

*The
Democratic
platform*

*The
nomination
of Seymour
and Blair*

Justice Salmon P. Chase as any other, but his record as a Republican and his opposition to the greenback movement—although he had sponsored the greenback laws of the Civil War—made him “unavailable.” Finally, after a great deal of undercover trading, the other candidates were all shelved and Horatio Seymour, Democratic war governor of New York and chairman of the Democratic convention, was unanimously chosen as the nominee for President. The nomination was made against his will and much to his embarrassment, for he had been Justice Chase’s sponsor and desired Chase’s nomination. The convention nominated for the Vice-Presidency, Francis Preston Blair of Missouri, a member of the socially and politically powerful Montgomery Blair family.

*The
Republican
campaign
waged over
the Civil War*

The Presidential campaign that now followed was one of great bitterness. Although Grant and Seymour took very little active part, the political leaders of both parties left few things unsaid. The Republicans, as they were wont to do for the next generation, “waved the bloody shirt.” They appealed to the “patriotism” of the Northern white people, and the gratitude of the Southern Negroes for support. The Republican Party, they proclaimed, was the party of the Union and emancipation; whereas the Democratic Party, identified with the Copperhead movement in the North and “rebellion” in the South, was the party of treason and slavery. Horatio Seymour, who had opposed Lincoln’s war policy but who had supported the war, was now classed by the Radicals as a Copperhead and a traitor. Although Western Republican leaders were more or less well disposed toward the greenback movement, they kept discreetly silent and permitted the Eastern Republicans to denounce the Democratic Party as advocating the payment of the national debt in “dishonest money,” which was, they asserted, just another form of repudiation. The Republicans boldly supported their reconstruction policy in the South by contending that it was the only method by which the Southern people could be kept from open rebellion and from re-enslaving the black man. They supported their arguments with tales of outrage by Southern whites committed against the black and white Unionists. As for the stories of corruption, violence, and fraud on the part of the Radicals and Negroes in the Southern states, let no one listen to such; they were grossly exaggerated or untrue.

*Democratic
attack on
Radical
reconstruction
and efforts
to bring out
real economic
issues*

The Democratic Party leaders, however, strove mightily and with some success to keep the attention of the Northern people upon the reconstruction record of the Radical Republican Party, North and South. Grant would, if elected President, it was constantly urged, come into this corrupt and turbulent situation as the “man on horseback.” The enslavement of the South, they contended, was already

accomplished by military despotism; the North was rapidly falling victim to this despotism; and the election of Grant would complete the process. They attempted also to establish as party issues the currency question and the protective tariff—the two Ethiopians in the Radical woodpile.

Despite the growing alarm in the North over Radical excesses, Grant's popularity as "the savior of the Union" carried the election for the Republican Party. Superficially, it looked like a landslide for that party, for Grant received 214 electoral votes and carried twenty-six states, while Seymour received only 80 electoral votes and carried only eight states. But Grant's majorities in those states that he carried were not large, for out of six million votes cast for the two candidates, Grant had won by a bare three hundred thousand.

*A narrow
Republican
victory*

GRANT'S OFFICIAL APPOINTMENTS

Grant assumed office as President without real political obligations. On the contrary, the Republican Party owed him everything. Men with a social conscience hoped, therefore, that he would place a firm check upon the corruption in public office, which had grown at an accelerated speed since 1861, and would restore peace and stability in the nation. To those who had such hopes, Grant's two administrations were to be bitter disappointments. His first Cabinet was chosen without consulting anyone, frequently not even the appointees themselves. He first appointed as Secretary of State a mediocre man, E. B. Washburne, Representative in Congress from Grant's home district in Illinois, because Washburne had once rendered him an important favor. Washburne, however, was slated to be Secretary of State for only a brief period, for he was soon dispatched as minister to France. Hamilton Fish, the ex-governor and ex-Senator of New York, was induced to take Washburne's place. The President appointed the wealthy A. E. Borie, of Philadelphia, as Secretary of the Navy—although Borie had no knowledge of naval affairs and no desire to serve—presumably because Borie had given considerable money to the Republican campaign funds in 1868. Grant selected A. T. Stewart, the third richest man in America, for Secretary of the Treasury because of the latter's vigorous support in the campaign of 1868. Stewart, however, was not permitted to serve because of a law prohibiting anyone engaged in trade or commerce from holding the office of Secretary of the Treasury; and Grant finally appointed the narrow, vindictive Radical, G. S. Boutwell, as Secretary of the Treasury. For Secretary of War, he chose his old chief of staff, John A. Rawlins, who died within a few months. Grant made Governor J. D. Cox of Ohio Secretary of the Interior, J. A. J. Creswell of

*Grant's
Cabinet, as
a whole, of
extremely
low quality*

Maryland, Postmaster General, and Judge E. R. Hoar, Attorney General. Hoar and Cox were men of caliber and character, and, because of their refusal to go along with the spoilsmen who surrounded the President, were soon forced out of the Cabinet. Grant's



ULYSSES S. GRANT.

Cabinet, then, after the resignation of Cox and Hoar, and the death of General Rawlins was, with the exception of Hamilton Fish, of extremely low quality.

*Other
Federal
appointments*

The appointments to the diplomatic and consular services were in keeping with those of his Cabinet. Benjamin Moran, attaché of the American Embassy in London, characterized these representatives of American sovereignty and dignity abroad as "ignorant," "unpolished," "ill-mannered" persons, who acted "like a set of bar room politicians at home." The men whom Grant appointed as marshals, collectors of the customs, Indian agents, and to other minor offices were, on the whole, a bad lot. Appointments whether to the Cabinet or an Indian agency were made to take care of personal friends, patrons, and relatives (it was estimated that by 1870 the President had forty-two relatives on the pay roll) or to aid the Radi-

cal Party bosses, such as Roscoe Conkling of New York, Simon Cameron of Pennsylvania, Benjamin F. Butler of Massachusetts, and the Radical rings in the South.

EFFORTS AT CIVIL SERVICE REFORM

Concerned for the good name of the American government, thoughtful men in the North soon began to lift their voices in righteous indignation against the manner and kind of appointments that the President was making. Agitation was rigorously renewed for a classified civil service operating under set rules by which men both qualified and honest would be placed in office. For many years Representative Thomas A. Jenckes of Rhode Island, who has been called "the father and pioneer of civil service reform," had introduced bills into Congress to require an examination of all applicants for subordinate offices. The alarming situation that developed under the Grant administration spurred Jenckes to more vigorous effort. James A. Garfield joined in the fight for reform, and Carl Schurz, who had just been elected Senator from Missouri on the Liberal Republican ticket, became a leader in the struggle. George William Curtis of *Harper's Weekly* and E. L. Godkin of the *New York Nation* began the public agitation for a decent civil service, which was to bear fruit in later years, not only in the establishment of a real civil service, but in helping to create a stronger sense of moral responsibility in the higher, policy-making offices of government.

*Renewed
agitation
for a civil
service system*

The "realistic" political advisers of Grant scoffed at the idea of a civil service based upon merit and special fitness. It would keep out many patriots, or the widows and orphans of such patriots, who had saved the country in the late war and who were continuing to save it by supporting the Republican Party. Those who would really profit by it would be the Copperheads, who, it was said, stayed at home and went to school while Republicans were fighting.

*Republican
argument
against civil
service*

This line of argument appealed to Grant; but the demand for house cleaning and reform in appointment to office was so great that in December, 1870, he suggested in his annual message that Congress enact legislation governing "not the tenure but the manner of making all appointments." On March 3 Congress in enacting the sundry civil bill tacked on a civil service clause which authorized the President "to prescribe such rules and regulations for the admission of persons in the civil service of the United States as will best promote the efficiency thereof."

*The
Republican
concession*

Grant appointed a commission to study the Federal civil service. George William Curtis was most appropriately placed at the head of the commission, which got quickly to work and soon had its report

*The
appointment
of a civil
service
commission*

in the President's hands. It was a severe indictment of the manner of appointment to office and of the manner of men appointed. The business of government was "subordinated to the distribution" of offices. The higher officers of the government had become "mere office brokers," with the result that "the moral tone of the country" had been "debased," and the public demoralized. The commission reported rules to govern appointments to office, and Grant transmitted these rules to Congress on December 19, 1871. He promised that they should have a fair trial. In his message of April, 1872, Grant recommended that all officers conduct their affairs with "fidelity and diligence"; and vaguely promised that "honesty and efficiency," rather than "political activity," should determine officeholding.

*The failure
of the com-
mission due to
lack of support
from the
President and
Congress*

When the elections were over in the fall of 1872 and Grant had been re-elected, neither he nor Congress showed further concern. Congress ceased to vote funds to meet the expenses of the commission, and its work came to naught. In reality, President Grant was opposed to any change from the system of appointment that he practiced. The United States, he contended in private, had the best civil service in the world, namely, the Republican Party, which had given the country "an educated, tried and trusty body of public servants." The only real menace to the welfare of the nation, said he, was the Democratic Party.

GREENBACKS VERSUS SPECIE IN PAYING THE NATIONAL DEBT

*The election
of Grant
considered a
mandate
by "sound
money"
Republicans
to pay the
national debt
in specie*

As already noted, the question of whether the national debt should be paid in greenbacks or whether it should be paid in gold was an important matter which the Western Democrats attempted to make an issue in the campaign of 1868. The "sound money" element of the Republican Party chose to consider the election of Grant in 1868 as a mandate to redeem both the bonds and the greenback currency in gold or its equivalent—although the general could have been elected on a greenback platform—and Congress under their leadership immediately took a step in the direction of paying off the debt in gold. About two weeks after Grant's inauguration in 1869 Congress enacted a law pledging "the faith of the United States" to pay the national debt "in coin or its equivalent as soon as possible."

*The Supreme
Court's de-
cisions in
the legal
tender cases:
Hepburn
vs. Griswold*

It was soon after this declaration by Congress of the aims to pay off the national debt in coin that the Supreme Court cast its influence upon the side of "sound money." Although Salmon P. Chase as Secretary of the Treasury had approved the law making greenback notes legal tender, he as Chief Justice had regarded the laws authorizing legal tender notes as unconstitutional when applied to debts made prior to the passage of the first legal tender act on Febru-

ary 25, 1862. Four of his colleagues on the Supreme Court shared Chase's opinion, while three disagreed. When, therefore, the case *Hepburn vs. Griswold* involving the constitutionality of the legal tender acts was appealed to the Court, Chase delivered the majority opinion declaring unconstitutional that aspect of the laws making greenback currency legal tender for debts or obligations contracted prior to the passage of the act. Chase contended that the law was unconstitutional because it violated a contract and deprived a person of property without due process of law. The minority decision delivered by Justice Miller upheld the constitutionality of the legal tender acts on the grounds of the necessities of war and the right of Congress to disregard a contract: the Constitution forbade a state but not Congress to violate a contract.

This decision alarmed the powerful greenback element of the Republican Party, which had been kept fairly quiet on the money issue by "waving the bloody shirt." This greenback element, whose stronghold was in the West, but which had allies like Benjamin F. Butler in the East, now raised a bitter hue and cry against Chase and the Court. The railroads and many other large corporations which had issued bonds either for gold prior to the war or for greenbacks during the war were thoroughgoing greenbackers; they would gain if they paid off their prewar gold bonds in greenbacks and lose if they paid off in gold the bonds sold for greenbacks. They, too, joined in the protest against Chase and the Court majority, and their pro-greenback policy doubtless goes far to explain the attitude of Butler and the other pro-greenback Radicals.

Grant, however, surrounded by railroad lawyers, promoters, and owners—he was now associating with Jay Gould and James Fisk—had already taken the necessary steps, wittingly or unwittingly, to reverse the anticipated decision by nominating two railroad attorneys, William Strong and Joseph P. Bradley, to fill the vacancies on the bench created by the death of Grier and the resignation of Swayne. Justice Miller with the two new Judges now had a majority in favor of the constitutionality of the legal tender acts; and, in the cases of *Knox vs. Lee* and *Parker vs. Davis*, they reversed the former decision. Greenback currency was declared legal tender in the case of contracts made prior to, as well as after, February 25, 1862.

This was only a temporary setback. The "sound money" advocates were more influential than the Western greenbackers, and they represented more wealth and power than those railroad magnates who desired to pay off their gold bonds in greenbacks. In July, 1870, a few months after the Court had declared certain features of the legal tender acts unconstitutional, Congress passed a law in line

The attack of the greenback wing of the Republican Party on the legal tender decision

The decision reversed: Knox vs. Lee, Parker vs. Davis

The law to refund the debt in bonds payable in gold

with the *Hepburn vs. Griswold* decision, for the refunding of the national debt. This act provided that the Secretary of the Treasury should refund the debt with new bonds bearing interest ranging from four to five per cent, and payable in coin. Despite the trend toward greenbacks, apparent in the reversal of the Hepburn case, Secretary Boutwell undertook the refinancing of the national debt partly with the purpose of bringing the greenback dollar to an equal value with the gold dollar.

*Refunding
checked by
opposition of
greenbackers
and panic
of 1873*

Boutwell failed to dispose of the new bonds without the aid of the great financial houses; and he eventually called to his aid the war financier, Jay Cooke, who, by means of an international syndicate, soon disposed of all the bonds that had been allotted him. He sold the new bonds for gold or exchanged them for the old issues since the new bonds were above par and redeemable in gold. The entire war debt would probably have been quickly discharged in this way had not the greenback element of the Republican Party made a great outcry in December, 1871, against the deflationary purpose of the bond issue and the excess profits being made from the bond sales by Cooke and his syndicate. Grant's concern over his re-election in 1872 was so great that the operations were suspended to placate the greenbackers until after that event had transpired; and the panic of 1873 caused no further refunding to be undertaken until 1877.

*The panic
of 1873 causes
a resurgence
of the
greenback
movement*

The panic of 1873 not only put a stop to further bond sales payable in coin, but caused a resurgence of the greenback movement. The greenback advocates believed that the panic and depression were chiefly the result of deflation caused by the rapid payment of the national debt, the accompanying withdrawal of the national bank notes which had been issued upon these bonds, and the consequent deflation of prices. If we add to these the factors of overexpansion of credit in the building of railroads and the development of industries, and the overproduction of agriculture, largely on credit in the West, we doubtless will have a fair explanation of one of the worst panics in American history, which was succeeded by one of the worst depressions. During the panic of 1873 the Secretary of the Treasury put back into circulation by the purchase of bonds \$26,000,000 of greenback currency which McCulloch had withdrawn but had not destroyed; and Congress in February, 1874, authorized the further issuance of \$18,000,000, only to have President Grant veto the bill. For this act Grant was denounced as a partisan of the Eastern capitalists by the Western Republicans, whose greenback sentiment was now as strong as that of the Western Democrats; and a glance at the influences surrounding the President at this time makes the charge difficult to deny.

Despite this growing dissatisfaction of the West with the administration's seeming partiality for the Eastern capitalists, and the Republican defeat in the election of 1874, the Grant administration continued to direct efforts toward "sound money" and deflation. The result was the passage of the act of January, 1875, providing for the resumption of specie payment on January 1, 1879. In order to accomplish this the law provided that greenback notes, amounting at the time to \$356,000,000, should be retired until only \$300,000,000 remained in circulation, and that sufficient gold be purchased with bonds to redeem whatever greenbacks should be presented for exchange. It was believed correctly, as events proved, that once people found that they could exchange their greenbacks for gold, they would prefer to keep the paper money.

The resumption act of 1875

THE PROTECTIVE TARIFF AND INTERNAL REVENUE

In the platform and campaign of 1868 the Republican Party had promised a further reduction of the remaining war tax. Secretary Hugh McCulloch with the aid of special commissioner of revenue, David A. Wells, had already been working out systematic plans for reducing both the internal revenue and the high tariff on imports. Congress in 1865 had willingly accepted the recommendations for the reduction of the internal revenue. It had repealed taxes on pig iron and coal, lowered the rates on other articles, and reduced the revenue derived from internal taxes about \$45,000,000 in one year. In 1866 the taxes on other articles were lowered or abolished, and the tax on incomes of less than \$1000 was abolished. In the two succeeding years the taxes were lowered or abolished on many more articles. The Grant administration had, therefore, only to complete a process already well advanced. The act of July 14, 1870, practically abolished the whole system of internal taxes, including the tax on incomes, which was to cease within two years. The taxes on liquors, tobaccos, and the licenses to sell them were about all that were left of the complex internal war tax system.

The reduction and abolition of internal revenues

During the war the manufacturers had paid, as has been observed, income tax, license tax, tax on their products, etc., and it was considered just that they should be protected by a high tariff from foreign manufacturers who were not handicapped by such a tax burden. It was generally agreed, however, that when the internal taxes were lowered or abolished, the tariff on imports would be correspondingly reduced.

High protective tariff agreed to as an offset to high internal taxes

The industrialists, however, failed to keep their part of the bargain. On the contrary they demanded an even higher protective tariff. Most Eastern Radicals in keeping with the dominant interests of

The industrialists unwilling to abide by the agreement: The South and West held in line

The high tariff remains virtually unchanged

their section were quite naturally inclined toward a high tariff; and the representatives of the carpetbag governments of the South, disregarding the injurious effect of a protective tariff upon a section whose economic life rested upon the exportation of cotton and tobacco, cast their ballots in favor of higher tariffs as partial payment for the support of the Republican Party. The Western Republicans were, with the exception of those from the wool and flax growing districts, opposed to a continuation of the high protective system after the reduction and repeal of the internal taxes. However, by appealing to the sectional animosities still strong in the West, and by playing up the idea of pensions for the soldiers, the Eastern Radicals kept Western opposition to the tariff within bounds for a while.

Actually, duties had been raised on raw wool in the woolens act of 1867, and on copper and copper ore in February, 1869. This high tariff policy aroused such opposition in the West that some concessions had to be made. The party strategists, after much bustling about, pushed a law through Congress which made a big show of reduction, yet on examination it is disclosed that the reduction had been almost entirely on raw materials partly raised by American farmers or articles like spice and coffee which were not grown in the United States. The manufacturers were really not touched. During the campaign of 1872 the Radicals made a considerable gesture toward tariff reduction. By a series of acts in the summer of that year Congress lowered or abolished the duties on many imported raw products and actually lowered the tariff on a few manufactured articles such as wool, paper, jute, cotton, leather, metal, and India rubber goods. This slight concession was made in time to have its bearing upon the 1872 fall elections; but once again the great body of protected manufactures was untouched, and all the winds of discontent during the next forty years blew in vain against the tariff wall.

THE ELECTION OF 1872

It will be recalled that after the great Radical tidal wave in 1866 public sentiment arose against Radical rule, and the nomination of Grant and the readmission of the reconstructed Southern states stemmed the tide in 1868 and in 1870. It should be remembered, however, that by 1870 the Radical leaders were aware of the necessity of more drastic measures than had already been visited upon the South if they were to retain the states of that section as Republican pocket boroughs. These measures have already been discussed: the adoption of the Fifteenth Amendment (promulgated March 30, 1870) granting suffrage to the freedmen; the enforcement acts of

May, 1870, February, 1871, and April, 1871—the latter called the “Ku Klux Act”—by which the President, as it was observed, used troops to control elections, oust Democratic legislators and governors, and install and support the carpetbag governments.

With these safeguards for holding Southern states for the Republican Party, Grant and his Radical colleagues in Congress went before the country in 1872 for re-election. Although Grant was still popular with the rank and file of his party and with the veterans of the Union army, he had alienated many important Republicans of liberal views. The opposition within his own party found its first organized expression in Missouri, where B. Gratz Brown had been elected governor and Carl Schurz became United States Senator by a coalition of Liberal Republicans and Democrats. The Missouri movement was aimed at lifting all political and civil disabilities from ex-Confederates and their sympathizers, and at bringing the reconstruction of the South to an end. It also favored the lowering of the high tariff wall, civil service reform, and honest government. In the East Charles Francis Adams and Horace Greeley, editor of the powerful New York *Tribune*, represented this revolt against Radical rule and what had become known as Grantism.

*The Liberal
Republican
opposition
to Grantism*

The Radicals supported Grant, but the Liberal Republicans, deciding to organize their own party, called a convention at Cincinnati in May, 1872. In their speeches and platform they denounced the Southern policy of the Administration, the spoils system, corruption in public office, and demanded civil service reform. Most of the Liberal Republicans were advocates of a lower tariff; but in order to win support of Greeley, a high tariff advocate who agreed with them on the issues of reconstruction and Grantism, they evaded the tariff question by leaving it to Congress. There were several candidates for the Presidency, among whom were: Horace Greeley, whose views on the tariff had been treated so considerately; Charles Francis Adams, who at the time was preoccupied with the *Alabama* arbitration; Senator Lyman Trumbull, who had begun to part from the Radicals at the impeachment trial of Johnson; Chief Justice Chase, a “Barkis” is willin’” whenever a party was in search of a candidate for the Presidency; and Gratz Brown. After much squabbling the convention committed party suicide by nominating Horace Greeley for the Presidency. Brown himself was nominated for the Vice-Presidency.

*The Liberal
Republicans
organize
their own
party and
nominate
Greeley*

The Radical Republicans, on June 9, nominated Grant and Henry Wilson for President and Vice-President, while their platform stood by their record on reconstruction and the protective tariff—and demanded more of each.

*Republicans
renominate
Grant*

The regular Democratic Party proved itself politically bankrupt

*The
Democratic
Party
nominates
Greeley*

by accepting Greeley as its nominee for the Presidency. His political record had been one of violent opposition to the Democratic Party: he had been an abolitionist before the war and a Radical during and after the war—indeed, his political, economic, and social philosophy had run counter to most of the principles for which the Democratic Party had stood in the past. But Greeley, although anti-Southern



Harper's Weekly, January 20, 1872.

until the full implications of reconstruction began to dawn upon him, had shown, some time before 1872, a much kindlier attitude toward the South. He had made a gracious gesture in signing the bond to release Jefferson Davis from prison, and he had been waging war in the *New York Tribune* against Radical reconstruction. It was easy, therefore, for Southern Democrats to forgive Greeley; and they made the political mistake of supporting his nomination. The Northern delegates at the Democratic convention accepted Greeley with reluctance.

*Greeley an
easy target;
his defeat*

The Liberal-Republican-Democratic nominee for the Presidency was made to order for the Republicans. Here was a high tariff man leading two parties that advocated a low tariff, an old abolitionist leading ex-slaveholders, an anti-Southern editor appealing to the South for support, a Republican running for the Presidency on the Democratic ticket. Thomas Nast, the cartoonist, plastered *Harper's Weekly* with cartoons of Greeley accentuating his pumpkin-like head

with the little rim of hair and beard; and other cartoonists and editors harpooned the old man. At the same time the Republicans "waved the bloody shirt," pointed with horror to the riots, outrages, and Klan violences in the South, and urged men to vote as they had shot in the late war. In the South itself all the devices already discussed for keeping the Radical state governments in power were put into operation: Negro militia, United States troops, United States marshals with huge posses, mass arrests on charges of Klan activities or conspiracy to violate the enforcement acts and the Fourteenth and Fifteenth Amendments. Greeley and both parties that backed him cried out in vain against dishonest government, military despotism, and the overthrow of the principles of democracy. Grant carried all the Northern states and all the reconstructed Southern states except Tennessee, Georgia, and Texas, which had overthrown Radical control. Greeley carried the three Southern states mentioned above and the three Southern border states, Missouri, Kentucky, and Maryland. The Republican majority in the House of Representatives was raised from thirty-five to one hundred and five. Greeley, who had lost his wife during the election campaign, died within the month.

GENERAL MALFEASANCE IN OFFICE

Grant and the Radicals felt assured from the election returns that they had a clear mandate to work their will upon the South and continue their conduct of the Federal government along the line of the first administration. Never before or since have either the government of the United States or the state and municipal governments been conducted by men so lacking in understanding and regard for the principles upon which a free and self-respecting government and society rest. There were many reasons for this condition of affairs. In the conduct of the national government one seems obvious: the elimination of the Southern white people from the councils of the nation and the substitution of the carpetbag-rubber-stamp politicians, which weakened for several years the opposition party, the chief function of which is to criticize and bring before the public eye the acts of the party in power. But there was a general background of decline in public morals that was perhaps a more potent factor than the weakening of the opposition in producing the dark regime in both Federal and local governments. The great war profiteers and government contractors, the manipulators of railroads such as Jay Gould, Daniel Drew, and James Fisk, Jr., and the promoters of other great corporate enterprises had, during the Civil War itself, shown a total disregard for the principles of common honesty, and with the great reaction from the initial idealism of the

*Universal
misrule during
Grant's ad-
ministrations;
explanation*

war this materialistic outlook permeated deeply into the masses. Such men as Gould and Drew became popular heroes because they were "successful." Their methods of gaining wealth were looked upon by large segments of the public as legitimate and commendable. The metropolitan press was, with some exceptions, cynical and corrupt. The editorial opinions were "hired" by the great financiers and corporation agents. The legal profession deteriorated rapidly under the influence of the money ideal. The courts, the "fountains of justice," were being filled with corrupt lawyers and politicians whose decisions were bought and sold as commodities. The church leadership was guilty all too often of failing to set a wholesome example before the people.

Grant without any understanding of the men and society that surrounded him

It is only by keeping in mind the cynicism and corruption of American society during the period under discussion that one can understand the otherwise incredible history of the Grant Administrations. Grant, simple in his tastes, partisan, credulous, and naïve outside the councils of war, could scarcely be expected to choose men of wisdom and honesty from such surroundings. Nor did he; for many of the men whom he appointed to office or took counsel with were either petty grafters or large-scale embezzlers. They scarcely had warmed their official chairs before they began laying plans for graft; and they were only joining in with Congressmen and officers of state or municipal governments who had already had much experience in this field of public finance. The public, however, had been so used to the unpunished robbery and cheating of such men as Jim Fisk and Jay Gould that protest against the small-scale dishonesty of public men had come to seem of no particular use.

GRANT BECOMES INVOLVED IN THE GOLD SCANDAL

Gould's plans to corner the gold market

About six months after Grant assumed office, he became involved in a scandal of such magnitude that the public was shocked into active protest from its complacent or defeatist attitude toward malfeasance in office. This was the attempt, which came to a climax September 20-24, 1869, of Jay Gould and Jim Fisk to corner the gold market. These two men, besides having reputations as desperadoes, were known as the shrewdest and most successful manipulators of railroad stocks and other securities. In the spring of 1869 Gould conceived the colossal scheme of purchasing the available gold supply in the United States and reaping a fortune by selling at his own price. This gold was concentrated principally in New York. There was only one weakness in his scheme to corner gold—the practice of Secretary of the Treasury Boutwell of selling gold to redeem the government bonds. Through Grant's brother-in-law, Abel Rath-

bone Corbin, Gould boldly addressed himself to the task of persuading Grant to have the Secretary of the Treasury stop selling gold. While Grant was in New York (June, 1869) as a guest of Corbin, Gould called and explained to the President that, if gold should rise in price in terms of greenbacks, the price of agricultural produce would rise and thus help the agricultural interests. Grant was impressed, both by Gould himself and by his idea, and three months later he ordered Secretary of the Treasury Boutwell to stop the sale of gold for a while. Corbin, to whom Grant had imparted this information, relayed it to Gould.

Assured that the government would not throw its gold on the market, Gould began buying the yellow metal. At the same time he made large purchases for Corbin and other friends of the President. Soon the price of gold rose from 132 to 137. On September 13, Grant went for a vacation in western Pennsylvania, out in the hills far from a telegraph or railroad. Gould brought his partner, Fisk, into the scheme on September 20, and by the 22nd they had driven gold up to 140. Fisk now spread consternation and near panic by circulating the false report that Grant and his entire official family, including Secretary Boutwell, were speculating in gold. The rising panic in Wall Street caused Corbin uneasiness lest he lose his winnings, and he wrote Grant urging him not to permit Boutwell to sell. Grant now became suspicious of Gould's operations and persuaded Corbin to withdraw from the speculation. This alarmed Gould, who had now contracted to purchase \$50,000,000 in gold for future delivery, and, without notifying Fisk, he began selling, Thursday, September 23. Still gold went up as Fisk continued to buy until on Friday the 24th—called "Black Friday"—it reached 163. Panic seized Wall Street, for merchants and bankers were being ruined by the dozen. At this juncture Grant, who at last realized what was happening, intervened and had Boutwell begin selling gold, which declined to 135. Jim Fisk immediately repudiated all his purchases and cynically scribbled a message to his partner assuring him that "nothing is lost save honor."

The rumor that Grant, Mrs. Grant, and Secretary of the Treasury Boutwell had been partners to the conspiracy was not widely believed, but there was much chagrin at the President's lack of a sense of propriety in associating with such low and dangerous characters as Gould and Fisk. A congressional committee investigated the scandal and cleared the President—who, of course, was innocent—of everything except bad taste in his associations and a child-like credulity.

The next scandal to receive official attention was the Crédit Mobilier affair. The Crédit Mobilier was a construction company

The operations of Gould and Fisk on the gold market; "Black Friday"

Public reaction

*The Crédit
Mobilier
operations
brought into
the open by
Colonel
McComb*

especially organized for the building of the Union Pacific Railway. Its chief stockholders, however, were also the chief stockholders of the Union Pacific, and rumors were spread as early as 1867 that the Crédit Mobilier was being used by those who were large stockholders in both organizations to rob the Union Pacific. There was talk of congressional investigation at the time but nothing came of it until September, 1872, when H. C. McComb, a prominent stockholder in the Crédit Mobilier, published a letter in the *New York Sun* which charged that the construction company, acting through Oakes Ames, an official of this company and a member of Congress, had bribed the leading Republican members of Congress to gain favors for the company.

*Revelations of
congressional
investigating
committees*

Much was made of this Republican scandal by the Democrats in the election of 1872, and James G. Blaine, who was on the list of the accused, but who, curiously enough, was not involved, asked for a congressional investigation of the scandal. Perhaps he wished to divert attention from his own railroad deals (Ch. XI) or it may be that he wished to have his colleagues apply a friendly coat of whitewash to those who might some day be in a position to do him a like service. The House and Senate immediately appointed committees to investigate the charge that Oakes Ames had bribed members of Congress.

(a)
*The looting
of the Union
Pacific by an
inside group
of stockholders*

The committees, although charitable for obvious reasons, made some startling revelations in their reports in the winter of 1873. They found that there had been an excessive and fraudulent transfer of the Union Pacific securities to the Crédit Mobilier. The construction company, whose chief stockholders were large stockholders of the Union Pacific Railroad, charged the railroad corporation \$70,000,000 for the construction work which cost less than \$50,000,000. In this deal an inside group of Union Pacific stockholders thus transferred to themselves through the Crédit Mobilier practically all the negotiable securities and large portions of the stock of the railroad as the price of building the road. This was one way of shaking loose those who did not have an inside track.

(b)
*Thirteen
Senators and
Representa-
tives involved*

The investigation disclosed a low state of morals in Congress—although not quite as bad as that painted by the *New York Sun*. It came out that in December, 1867, and January, 1868, Representative Oakes Ames had transferred by contract or sale three hundred and forty-three shares of the Crédit Mobilier to thirteen Senators and Representatives. He sold the stock at \$100 a share when it was worth \$200. Some Congressmen paid cash but others bought on credit with the understanding that the dividends—consisting of government bonds, railroad securities, and money—would be used to pay for the

shares. Since the *Crédit Mobilier* was siphoning off almost all the bonds and great quantities of shares of the Union Pacific, the dividends were incredible. A holder of ten shares purchased on credit by a Congressman at \$1000 plus about \$90 interest, paid \$3418.50 in 1868. This, of course, would pay for the ten shares and leave the Congressman \$2328.50 clear profit. When Ames completed the transaction he wrote, "I don't fear any investigation here. . . . I have used this where it will produce most good to us, I think."

Out of the thirteen accused, only three were condemned as guilty: Representatives Oakes Ames and James Brooks, and Senator James W. Patterson. The House committee found Oakes Ames guilty of selling members of Congress shares below their market value in order "to influence the votes and decisions of such members in matters to be brought before Congress for action"; and it recommended that he be expelled. It found James Brooks, who owned one hundred shares of *Crédit Mobilier* stock, guilty of corruption and recommended his expulsion. The Senate committee found Senator James W. Patterson guilty of corruption and false swearing and recommended that he, too, be expelled. Congress, however, censured but did not expel the three men thus declared guilty.

*Ames,
Brooks, and
Patterson
found guilty*

Among the other men who received *Crédit Mobilier* shares from Ames were Vice-President Schuyler Colfax and James A. Garfield. These two men were exonerated of any intentional corrupt dealing, but Colfax was held suspect by the public and his political career was ruined.

*Other
prominent
leaders
involved*

"THE SALARY GRAB"

Not satisfied with the scandalous *Crédit Mobilier* revelations, Congress brought further disrepute upon itself by the passage of the "Salary Grab" act of March 3, 1873—just a few days after the report of the committees investigating the *Crédit Mobilier* scandal had been made. This measure was sponsored in the House by Benjamin F. Butler, a very appropriate leader. By this act Congress raised the President's salary from \$25,000 to \$50,000 a year, raised the salary of its members from \$5000 to \$7500 per annum; and with complete cynicism made the law retroactive so that each Congressman would receive \$5000 "back pay" for the previous two years. Congress had simply voted itself a bonus of \$1,100,000.

*Congress
votes itself
a bonus*

The public was so outraged at this "back pay steal," as it was called, that Congressmen returned the money to the Treasury in a fright. After all, the money would have to come out of the people's taxes, which might be a bit different from helping Oakes Ames rob the Union Pacific. The "steal" along with the *Crédit Mobilier* and other

*The repeal
of the law
as a result
of unfavorable
public
reaction*

official scandals, which were laid at the door of the Republican Party, became an issue in the fall elections of 1873, and many Democrats were elected to local and state office in all the Northern states, while in New York and Ohio they swept the states. This Democratic trend was a portent of the coming election of 1874, and the Republican Congress attempted to forestall the approaching disaster. Under the leadership of Butler, who had sponsored the passage of the law, Congress repealed in January, 1874, that portion of the law raising the salaries of members of Congress; and Butler ranted that he would institute suits to recover the back pay that had been collected, although nothing was done. Such forced virtue, however, did nothing to stem the rising tide of opposition.

*The President
unimpressed
by scandals;
the continued
appointment
of corrupt
officials*

Unimpressed by such scandalous disclosures that so heavily involved his party, President Grant brought to an end, as far as he was concerned, the Civil Service Commission and civil service reform, and in his second administration appointed another batch of men to high office who were, in every respect, of the same species as those who governed the Southern states. The whole country, North and South, appeared to be in the hands of carpetbaggers; and it was revealed before the end of Grant's second term that scarcely an administrative office under the control of the President had an honest man at its head.

BOSS SHEPHERD'S OPERATIONS IN THE DISTRICT OF COLUMBIA

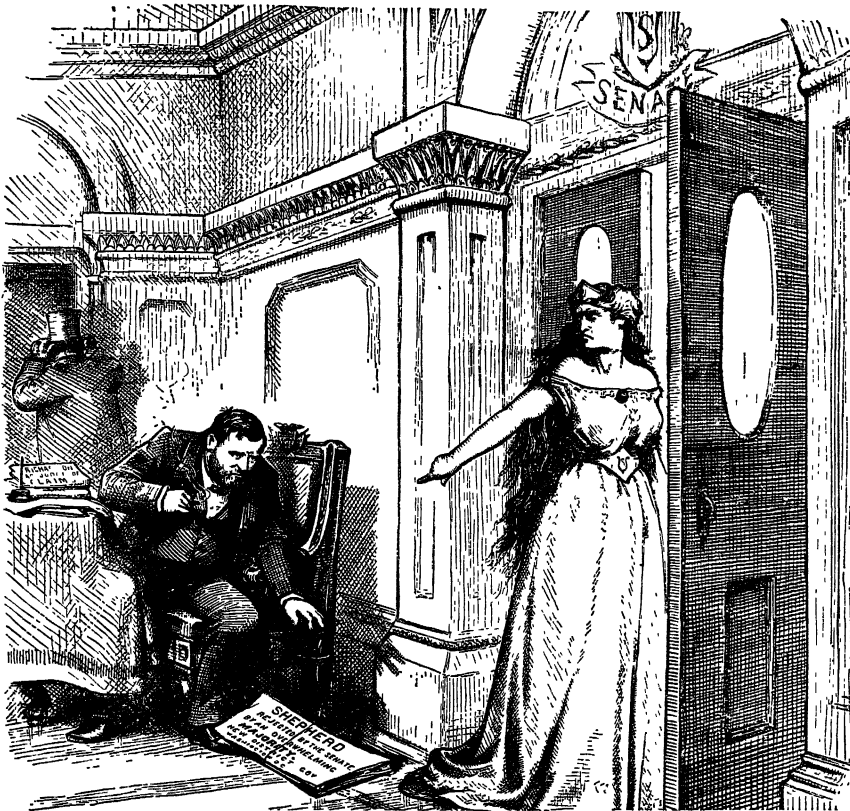
*Shepherd
builds a
political
machine in
in Washington*

An open scandal about which nothing effective was done for some years was "Boss" Alexander R. Shepherd's management of affairs in the District of Columbia. The District had been placed under a territorial form of government with a governor appointed by the President and a legislative assembly and delegates in Congress elected by the citizens of the District. Since so many of the white inhabitants of Washington held their citizenship elsewhere, it was easy to gain control of the government by organization and the use of the Negro vote. Shepherd, a member of the Board of Public Works, in typical carpetbagger style, organized a voting machine based upon the colored population. Payments were built out into the country—one hundred miles of them—and the establishment of inaccessible parks and other public works in general was undertaken at great loss to the District, but with huge profit to Shepherd and his friends.

*Grant
appoints
Shepherd
governor
of the District*

Such pressure was brought to bear upon Congress in 1872 that it undertook an investigation of Shepherd and the new government. The congressional committee gave Shepherd a good whitewashing with the result that he only increased his "improvements." When the governorship of the District became vacant Grant appointed

Shepherd to the position in the face of the latter's reputation. Public opinion was outraged at Grant's appointment of Shepherd, and soon a committee of both Houses of Congress began another investigation. The committee began work in March, 1874, and reported in June—in plenty of time for the election campaigns. It revealed, despite a desire to whitewash Shepherd, a state of highhanded, illegal govern-



Harper's Weekly, July 18, 1874

"DON'T LET US HAVE ANY MORE OF THIS NONSENSE. IT IS A GOOD TRAIT
TO STAND BY ONE'S FRIENDS; BUT—"

ment and public graft that would have made Tammany Hall under Boss Tweed a bit envious.

The committee urged the abolition of the form of government which permitted the rise of a "boss" such as Shepherd, and the creation of a commission form of government. Congress promptly followed the committee's advice and established a commission to govern

*A commission
form of
government
established.*

the District. Grant showed his continued faith in Shepherd by promptly nominating him to the commission. The Senate, however, was sensitive to the widespread signs of public wrath, and only six of its members—three of whom were Southern carpetbaggers—supported Shepherd's nomination.

THE SANBORN CONTRACTS

*Secretary
Richardson
aids Sanborn
collect back
taxes*

At the very time when Boss Shepherd was despoiling the District of Columbia, the Secretary of the Treasury was aiding in defrauding the Treasury of large sums by means of the share system for collecting back taxes. The most notorious fraud was committed in the case of the Sanborn contracts. W. A. Richardson, who became Secretary of the Treasury when Boutwell was elected Senator from Massachusetts, made contracts with John D. Sanborn of Massachusetts, one of Butler's political tools, to assist in the collection of back taxes. Sanborn, with Richardson's consent and positive aid, so it appears, collected \$427,000 before the practice was terminated. Half this amount went to the government and half to Sanborn; but it seems that \$156,000 of Sanborn's \$213,500 went to oil Butler's machine, which during this time had been used to elect Boutwell to the Senate. The House Ways and Means Committee, which brought out many of the facts concerning Sanborn's operations, stated that instead of Sanborn's being employed to help the Treasury officers collect revenue, the latter had been employed to assist Sanborn. Indeed, officers were instructed to refrain from collecting certain taxes so that Sanborn might have them. The investigating committee, in its report upon the activities of Sanborn and his friends, charged that these men were "marauding upon the public treasury."

*Richardson's
resignation
and Bristow's
appointment
in his place*

Secretary Richardson's defense before the committee, both by its evasiveness and its admissions, convinced the public that he was corrupt and incompetent. The committee demanded Richardson's resignation; but Grant urged him to stay. However, the pressure of the Radical leaders, who were facing the election of 1874, brought about the resignation of both Richardson and the Assistant Secretary as well as the Solicitor of the Treasury. This was followed by the passage of a law repealing the contract system, and the appointment by the President of an honest man, Benjamin H. Bristow, as Secretary of the Treasury.

*The issues:
Corruption
in office,
the depres-
sion; and
reconstruction*

THE ELECTION OF 1874

The nomination of Greeley in 1872 had resulted in a landslide for Grant, a two-thirds Radical majority in the House of Representatives, and continued Radical control of the Senate. There had

been no chance to vote on the real issue—namely, did the Radical Party and its President have the confidence of the North? In 1874, however, there was no Greeley to obscure the issue; but there were the Crédit Mobilier, Boss Shepherd, Sanborn contracts, Grant's appointment of and association with coarse and disreputable men, the great depression following the panic of 1873 that men somehow connected with the rule of the corruptionists, and Radical reconstruction.

Aware that Grantism and Radicalism—now almost identical terms—were on trial for their lives, party leaders like Senators O. P. Morton and Roscoe Conkling pulled out all the stops and played the “patriotic” themes in thunderous volume. James G. Blaine, as usual, “waved the bloody shirt” and shouted himself hoarse urging men not to forget that the Copperheads and traitors of the Civil War were the leaders of the party now trying to gain control from the “Party of the Union.” Radical leaders like the chairman of the Republican State Committee of Indiana urged the Republican newspapers to devote special attention to their Southern outrage columns “until after the elections.” President Grant tried to insure Radical success in the Southern States by sending in troops to assist the United States marshals and Republican election officers.

Despite the efforts of the Radicals to keep the public mind diverted, this election was a tidal wave of wrath at corrupt government and fear of military despotism—the latter having been particularly sharpened by Grant's well-known desire for a third term. The Radicals were successful only in the Southern states where the soldiers were used; but the North and those Southern states that had overthrown Radical control smote the Administration party “hip and thigh” in the House of Representatives. The Democrats had one hundred and sixty-eight seats, the Liberals and Independents fourteen, while the Republicans were reduced to one hundred and eight as compared with their two-thirds majority in the Congress whose term would expire on the following fourth of March. In the Senate, where only one third is elected every two years, the opposition party made important gains. Since the eleven ex-Confederate States had more than one hundred Representatives and twenty-two Senators, it can be seen at a glance that, had Grant not made liberal use of the soldiery in the five Southern states still under Radical rule, the Republican minority would have been further reduced.

The lower House of the new Forty-fourth Congress wasted no time in looking into the misdeeds of the Radical regime. On January 14, 1876, it passed resolutions instructing the several standing committees to inquire into the conduct of the various divisions of the

The Civil War still the chief appeal of the Republicans

The Radicals engulfed in a tidal wave of wrath

Congressional investigations, every department in the hands of corrupt men

Treasury, the Navy, Army, Post Office, and Interior Departments for "any errors, abuses or frauds." The committee investigations, although under Democratic control and with party bias, were, nevertheless, conducted with reasonable fairness and in accordance with the demands of public opinion. Every department and bureau investigated was found to be in the hands of dishonest men. The sale of trading posts and concessions on the Indian reservations, fraudulent naval contracts, the wholesale pirating of the public lands by railroads and timber and mining corporations with the aid of Congressmen and departmental officials—these and other such matters in, what must have seemed to the Radicals, an endless procession were brought out by the investigating committees during the election year of 1876. Only two of these scandals, the Whiskey Ring and the Belknap sale of Indian agencies, will be discussed.

THE WHISKEY RING

*Federal
revenue
officials in
collusion with
distillers*

Secretary of the Treasury Bristow found that the government gaugers at the distilleries in St. Louis, Chicago, and Milwaukee were in collusion with the distillers; and that in St. Louis alone the government had been defrauded of at least \$1,000,000 a year for a number of years. In a short time some of this "small fry" were behind bars. But Secretary Bristow had discovered, what had been suspected by the public, that John McDonald, supervisor of internal revenue at St. Louis, and General Orville E. Babcock, Grant's private secretary, were deeply involved. After Rawlins' death, Babcock was Grant's closest adviser and friend; and John McDonald was an old friend of Civil War days, whom Grant had appointed supervisor of internal revenue and who was known as a shady cotton speculator, even while in the army. Babcock and some lesser insiders apparently kept the Ring informed of all governmental moves, and in return received large sums of money and jewelry. McDonald, who received a salary of only \$3000 per annum, entertained Grant and his party for ten days in 1874 at an expensive St. Louis hotel. Soon after this McDonald presented Grant with a buggy, two fine horses, and an expensive whip, all of which cost the former about \$1750.

*"Let no
guilty man
escape"*

When Bristow informed Grant in July, 1875, that Babcock and McDonald were involved, the President issued the famous statement, "Let no guilty man escape." But Grant and Babcock in a few weeks hastened to St. Louis to confer with their mutual friend, John McDonald, who recently had been indicted for his part in the whiskey fraud; and it was quite obvious that the President refused to believe that Babcock and McDonald were guilty. In December, 1875, when a St. Louis grand jury indicted Babcock for conspiracy to

defraud the government of revenue, Grant let it be known that he would stand by Babcock and against Bristow in the latter's efforts to bring Babcock to justice. As soon as Babcock was put on trial, the President came to his aid with a sworn statement, which was presented in court, that he trusted Babcock and believed him innocent. The trial ended in Babcock's acquittal in February, 1876. Soon, however, he was on trial for burglary in the District of Columbia and Grant was finally compelled to let him resign as his private secretary. Babcock, however, was permitted to retain his rank in the regular army; and soon afterward the President showed his continued approval of Babcock by appointing him to the office of inspector of lighthouses. McDonald and the others went to prison in 1875-76; but most of them were pardoned before Grant went out of office in the spring of 1877.

SECRETARY OF WAR BELKNAP SELLS AN INDIAN TRADING POST

Just a few days after Babcock was acquitted of conspiracy in connection with the whiskey frauds, another revelation was made that was even more serious than that of the Whiskey Ring conspiracy. This time it was a Cabinet officer, William W. Belknap, Secretary of War and a personal friend of the President, who was the culprit. From the beginning of his appointment there were reports that Belknap was transacting shady deals such as selling government arms to the French government, and making money by placing cheap monuments over the graves of Civil War soldiers buried in the national cemeteries. On March 2, 1876, the House Committee on Expenditures in the War Department discovered that Belknap had been exacting tribute for years from the post trader at Fort Sill, Indian Territory. Through the first Mrs. Belknap, the Secretary of War had offered the post to Caleb P. Marsh in 1870, with the tacit agreement that the Belknaps were to share in the profits. Instead of taking the post, Marsh agreed that the incumbent, John S. Evans, should pay him \$12,000 annually which he in turn agreed to divide equally with the Secretary of War through his wife. The latter died after the first payment, but Belknap married her sister, and the transaction continued until March 2, 1876, when the committee made its report. The Secretary of War received \$20,000 from this one trading post.

Being informed as to the nature of the report of the committee and fearing impeachment, Belknap resigned a few hours before the committee made its report. Grant "accepted with great regret" the resignation of Belknap. The latter, despite his resignation from office, was impeached by the House; but the Senate failed to convict

*Belknap
receives
\$20,000 from
the trading
post at
Fort Still*

*Belknap
escapes
conviction by
resignation
and by Grant's
intervention*

him because of the obvious lack of jurisdiction over a private citizen. After the failure of the impeachment proceedings Belknap was promptly arrested on criminal charges; but, as in the case of Babcock, Grant intervened in his behalf. His Attorney General had the case dismissed.

Grant could never believe that his dishonest friends were dishonest, but held to the partisan view that the reports of such men as Bristow and of the congressional committees were purely political mud-slinging and persecution of innocent men.

*Corruption
in state and
municipal
government*

The scandals in the national government were the manifestation of a widespread breakdown in public and private morals. Corruption in state, county, and municipal governments in the North was almost universal. Jay Gould, Daniel Drew, and Cornelius Vanderbilt purchased members of the legislatures of New Jersey and New York in the same businesslike fashion as they bought shares on the stock market; nor was the judiciary of these states much less venal than the legislatures. In Pennsylvania the political machine of Simon Cameron—the man whom Lincoln finally concluded might steal a red hot stove—sold the state legislature practically at auction. In Illinois, Iowa, Wisconsin, Minnesota, and California the railroad corporations owned the legislatures. The city governments were the juiciest prizes of all. In New York City, the largest of the cities, William M. Tweed and his gang stole \$100,000,000 before they were put in prison. Philadelphia's Gas Ring was as bad as the Tweed Ring, the difference being in the size of the cities.

FOREIGN AFFAIRS

*Diplomatic
success of
United States
due to
European
situation and
to efforts
of Seward,
Adams, and
Fish*

The United States was more successful in solving its difficulties abroad than at home during the reconstruction era; and this was in part due to three men—W. H. Seward, Charles Francis Adams, and Hamilton Fish—and in part to the European situation, where war was either raging or threatening to involve the principal nations. Seward, as Secretary of State under Lincoln and Johnson, and Adams, as minister to England, had from the outbreak of the Civil War assumed an attitude of truculence and angry self-righteousness toward the British government for its many alleged violations of neutrality. Since Great Britain did not desire war but thought that the United States at least would go to war with her if pushed too far, this high and mighty tone of Seward and Adams made Britain cautious. After the Civil War Adams continued grimly to demand reparations for the damage done by the *Alabama*, *Florida*, and other Confederate raiders that either had been fitted out in England or were believed to have used English ports as bases of operation.

Although such nagging did not seem to bring Lord John Russell or his successor one inch nearer to admitting any wrongdoing on the part of his government, it did keep the grievance alive; it planted the idea in the minds of the British leaders that sooner or later something would have to be done about the matter.

Before a settlement with Great Britain was reached, Seward completed the unfinished business in Mexico, purchased Alaska, annexed Midway Islands, negotiated a treaty with Denmark for the purchase of the Danish West Indies, and almost bought San Domingo from its dictator, President Baez.

The Mexican problem was solved chiefly by the impending war in Europe, which threatened to engulf Napoleon and finally did so in the Franco-Prussian War of 1870. Seward had refused to recognize Napoleon's puppet Emperor of Mexico, Maximilian, and had steadily exerted pressure for the withdrawal of French support.¹ When 50,000 United States troops were sent to the Mexican border after the war was over and others were about to be sent, Napoleon found it convenient to come to terms—especially when he needed his troops at home. In 1867 when all the French troops were withdrawn, Maximilian was shot by a firing squad, and the Juarez government gained control. It had thus been unnecessary to use any force to get the French out.

The Mexican problem solved chiefly by impending war in Europe

In the same year that saw the final liquidation of French intervention in Mexico, Seward bought Alaska from Russia. Under the mistaken notion that the Russian fleets that were dispatched to San Francisco and New York in 1863² had been sent to aid the United States in case of French and English intervention on the side of the Confederacy, there was a deep sense of obligation to Russia in the North. When, therefore, it was learned that Russia desired to sell Alaska, Seward eagerly seized the opportunity to purchase it to pay off the supposed obligation as well as to extend the possessions of the United States. When the Russian minister at Washington, Baron de Stoeckl, offered with apparent reluctance to sell Alaska to the United States for \$7,200,000, Seward practically dragged the delighted Russian to the State Department, where the night of March 2, 1867, was spent in drawing up the treaty. Later it was discovered that the Russian government would have taken about \$2,000,000 less; and that it spent at least \$200,000 on Congress getting the treaty adopted and appropriations made to carry it out.

The purchase of Alaska

Seward, intent upon having a canal across Central America,

¹ See Vol. I of this text, pp. 753-54 for account of French intervention in Mexico.

² Russia had sent her fleets to American waters to escape the British navy in case of war with England that seemed imminent, and to operate against British commerce.

The treaty to purchase Danish West Indies rejected by the Radical Senate

acquired a transit right across Nicaragua and then looked about to obtain naval bases in the West Indies to protect the future canal. A treaty was drawn up for the purchase of the Danish West Indies at a cost of \$7,500,000; but the Radical Senate would not consider anything coming from the Johnson government. When Grant, who shared the Radical attitude toward Johnson, became President, he referred contemptuously to the treaty as "a scheme of Seward's," and the Senate did not bring it to a vote.

The proposal to purchase San Domingo

Seward attempted unsuccessfully for a while to purchase from San Domingo the gulf and peninsula of Samana; then in 1868 Baez, who had just seized power, offered to sell not only the Samana peninsula but the whole of San Domingo for a song. Johnson urged Congress to take advantage of the chance to acquire the Negro republic with its excellent facilities for a naval base, but as usual his advice was treated with contempt by the Radical Senate.

Hamilton Fish's diplomatic success

Hamilton Fish was the only man of ability and character whom Grant seemed either willing or able to retain in his Cabinet for any length of time. Fish was able to effect a settlement of the Civil War claims against Great Britain and to keep the United States from intervening in the Cuban insurrection. The explanation lies partly in Grant's willingness to let Fish manage foreign affairs in general and partly in Grant's strange preoccupation with the attempt to annex San Domingo, which kept his mind diverted from more vital matters.

Grant's efforts to annex San Domingo frustrated by Sumner's opposition

Curiously enough Grant, having rejected Seward's plans for annexing the Danish West Indies, seized avidly upon the idea of acquiring San Domingo. Contrary to tradition, Fish apparently encouraged the President in his desire to gain possession of the Negro republic, in order to keep him from getting too interested in the Cuban situation and in the *Alabama* claims settlement. Grant's interest in San Domingo had apparently been created by a group of corruptionists headed by Ben Butler and Orville Babcock. Babcock was sent to San Domingo by the President and obtained an offer from the dictator to sell the country for about \$1,500,000. Finally a formal treaty of annexation was presented to the Senate, only to meet defeat under the powerful opposition of Charles Sumner. What made the defeat so bitter for Grant was the fact that Sumner had, so the President thought, promised to support the treaty of annexation. After the defeat of the treaty of annexation, the two men became bitter enemies, and through Grant's influence Sumner was removed as chairman of the Senate Foreign Relations Committee and Sumner's friend Motley was recalled from his post as American minister to Great Britain. But Sumner continued to block all of Grant's efforts to

annex San Domingo—which efforts, fortunately, he kept up during the crisis in the *Alabama* and Cuban affairs. Grant is reported to have shaken his fist at Sumner's house when he passed it, and to have remarked that if he were not President he would shoot the Massachusetts Senator. At this time Grant doubtless had a fellow feeling for Brooks who had given Sumner a caning fifteen years before. Sumner's hatred for the President was returned in full measure, and he became almost violent at the mention of Grant's name, calling him among other things "a colossus of ignorance."

Preoccupied though Grant was with the San Domingo question, he was a constant menace to Fish's major diplomatic enterprises—the Cuban insurrection and the *Alabama* claims.

The insurrection in Cuba had broken out in 1868. The revolutionists and the Spaniards slaughtered one another. Prisoners and civilians—women, children, and old men—were shot or bayoneted by both sides. American soldiers of fortune, filibusters, and gun-runners flocked to Cuba. The United States thus became involved through sympathy with the Cubans and concern for its own filibustering nationals. Presently several gunrunning vessels flying the American flag were captured, and Americans were shot and imprisoned by the Spanish authorities. Fish protested vigorously against the execution of American citizens as a penalty for selling contraband to rebels—it was a flagrant violation of international law and the practice of civilized nations.

The Spanish government in its replies invariably attempted to place the blame upon lack of vigilance on the part of the United States government in permitting arms and supplies for the rebels to leave American ports. Indeed, the Spanish argument was virtually the same as that which the United States government had been all along—and was at the time—making against the British for permitting ships and contraband to leave British ports for the use of the Confederacy. It was a dangerous argument for the United States in view of the pending *Alabama* claims soon to be brought before the Geneva arbitration tribunal.

In the face of this deadly parallel to the American argument against Britain, there arose a strong demand in and out of Congress for the recognition of Cuban belligerency and even active American aid. Grant was strongly in favor of such a move, and in August, 1869, ordered Fish to sign a proclamation—which the President had already had prepared and had signed—recognizing the belligerency of the Cuban rebels. Fish pigeonholed the proclamation, and later induced Grant, now preoccupied with San Domingo, to confine himself in his message to Congress to a mere statement of his sympathies for the

The United States involved in Cuban revolt; Fish's protest

The Spanish blame the United States for lack of vigilance

American claims against Britain endangered by Grant's efforts in behalf of Cuban belligerency

Cubans. Again in 1870—an election year—the popular demand for the recognition of Cuban belligerency was about to cause Grant to support a move in Congress to this end, and Fish was able again to restrain the President only by threatening to resign. Had Grant had his way, war with Spain doubtless would have followed, and at the same time the American case against Great Britain would have been scuttled.

*The
Virginus
affair*

The final upsurge that threatened to embroil Spain and the United States in war resulted from the capture in October, 1873, of the ship, *Virginus*, flying the American flag, and the execution of fifty-three members of the crew, many of whom were American citizens. Fish sent an ultimatum demanding an apology and reparations. He soon learned, however, that the ship was owned by the Cubans, that its papers were fraudulent, and the flying of the American flag was illegal. This caused him to modify his demands, with the result that the incident was closed by Spain paying \$80,000 to the families of the American citizens who had been executed.

The outstanding diplomatic accomplishment of the Grant administration was the settlement of the grievances against Great Britain arising from the latter's sympathies for the South during the late Civil War.

*The
negotiation of
the Johnson-
Clarendon
convention*

When the Tory government succeeded the Russell regime in 1866, Lord Derby intimated that Great Britain would be pleased to reach an amicable settlement of mutual differences with the United States; but Adams only renewed all the old charges against Britain, and the Tory ministry showed no signs of settling matters on the basis of Adams' demands. Unable to make any headway through Adams, President Johnson sent Senator Reverdy Johnson as minister to England in the summer of 1868. Johnson went to the other extreme from the course that Adams had followed, and sought to cultivate a friendly spirit between the British and American people; and the British officials and public met his efforts in cordial fashion. The American minister made rapid progress in his negotiations with the Tory ministry, and by November, 1868, the Stanley-Johnson convention for a settlement of the differences between the countries was nearly completed. Before this convention was agreed to in all detail, the Tory ministry resigned and the Liberal ministry of Gladstone came to power. Lord Clarendon, Secretary of State for Foreign Affairs in Gladstone's Cabinet, resumed negotiations with Reverdy Johnson where his predecessor, Stanley, had left off, and on January 14, 1870, the Johnson-Clarendon convention was signed in the British Foreign Office and promptly cabled to Washington. The convention provided for a commission composed of two members from each country, and

an arbiter to be selected by the commission, who would settle all points on which the commission failed to agree.

The Johnson-Clarendon convention was not well received even by President Johnson's Cabinet, and in the North at large it met with angry protest. According to the Northern view, there were two things wrong with the treaty: it was the product of the Johnson Administration, and it confessed no feeling of regret on Britain's part for her allegedly unneutral conduct during the war. On the

The rejection of the convention; no recognition of the case of the United States against Great Britain



Harper's Weekly, July 5, 1869

"ERROR WOUNDED WRITHES IN PAIN."

John Bull. "Did you mean to step on my corns?"

Brother Jonathan. "Yes, Sir. And if you don't pay me what you ought I'll grind your Corns for you, and swell that other Foot bigger yet!"

contrary, it seemed to reduce the whole issue to individual losses and wrongs against individuals, which were to be compensated for or redressed by means of the commission. It recognized no case of the United States against Great Britain. The Senate under the leadership of Sumner rejected the treaty by a vote of fifty-four to one. For "the

Alabama claims. The tribunal to arbitrate the *Alabama* claims was to be composed of five members, one each to be chosen by the President of the United States, the Queen of England, the King of Italy, the President of Switzerland, and the Emperor of Brazil. In the treaty the British government made the apology concerning its conduct during the late war, without which there could not have been a settlement at that time with the United States. The apology was as follows:

Her Britannic Majesty has authorized the [British] High Commissioners to express in a friendly spirit, the regret felt by Her Majesty's Government for the escape, under whatever circumstances, of the *Alabama* and other vessels from British ports and for the depredations committed by those vessels.

Rules were laid down binding neutrals to make every effort to prevent the building, fitting out in their waters, and departure from thence, of vessels like the *Alabama*. Great Britain did not admit that these rules were in force during the Civil War. In fact, Lord John Russell called them *ex post facto* laws by which the British government was tried "many years after the event," and doubtless he expressed the feelings of the Gladstone ministry. But the British government, "in order to evince its desire of strengthening the friendly relations between the countries and of making satisfactory provision for the future," agreed that the arbitration of the *Alabama* claims should be based upon these rules. Great Britain was looking to the future.

The United States appointed Charles Francis Adams as its representative on the tribunal and Great Britain appointed Chief Justice Alexander Cockburn. The case of the United States was presented by J. C. Bancroft Davis, who brought in all the old grievances for which the British government had apologized, and renewed Sumner's claims for indirect damage caused by the loss of the American merchant marine, and for the expenses of carrying on the war after 1863. The British ministry had understood that these claims for indirect losses were not to be brought up again; and when Davis presented the American case, Gladstone said angrily in the House of Commons that it would be accusing the British of insanity

*Arbitration
endangered
by American
revival of
claims for
indirect
damage*

to suppose that any negotiators could intend to admit, in a peaceful arbitration . . . claims which not even the last extremities of war and the lowest depths of misfortune would force a people with a spark of spirit . . . to submit to at the point of death.

The arbitration was on the verge of collapse, for Adams, too, now

insisted that claims for indirect damage be considered; and President Grant, who was facing the coming election, began to express sympathy for the claims for indirect damages. This would aid him with the Irish voters, many of whom were carrying on the Fenian raids against Canada.¹

*The final
settlement*

At length, however, Adams and Fish, convinced that they had pushed Great Britain too far, agreed that the claims for indirect damages would not be insisted upon. The tribunal then voted to exclude such claims; and in September, 1872, it agreed—Lord Cockburn dissenting—that Great Britain had been negligent under the rules laid down in the Treaty of Washington in permitting the *Alabama* and two other cruisers to escape. It declared, however, that Britain was not responsible in the cases of other vessels preying upon the commerce of the United States. England was to pay the damages adjudged at \$15,500,000. The British public was shocked at the award to the United States of this large sum; but the European situation was tense and the Fenian movement in the United States threatened trouble in that quarter, so the bitter pill was swallowed.

*Agencies
established
by treaty
for the
settlement
of other
disputes*

The Treaty of Washington provided for the settlement of numerous other less important disputes between the United States and Britain by arbitration and joint commissions. The controversy over the boundary line between British Columbia and the United States was submitted to the German Emperor, who rendered a decision in favor of the United States and thus gave the latter country the San Juan Islands. Britain's claims for damage to her commerce and subjects by the United States during the war were submitted to a commission which awarded her in September, 1873, \$1,929,819. The American counter claims were disallowed. The ever-recurring controversy over fishing rights in the North Atlantic was settled in the treaty. The Americans were given the right to fish, with little restriction, off the shores of Nova Scotia, New Brunswick, Quebec, and the numerous islands in that region, whereas British subjects were granted permission to fish as far south as the thirty-ninth parallel. During the negotiations the Canadians insisted that the United States had far the better of the bargain, and a commission was established by the treaty to settle this difference. After delays and other

¹ The Fenians or Fenian Brotherhood was an organization of Irish-Americans and Irish sympathizers whose chief aim was to free Ireland from Britain. In 1866 an "army" of about fifteen hundred Fenians invaded Canada, engaged in a battle with the Canadian militia, captured Fort Erie, and then retreated to New York. President Johnson sent troops to the border to prevent the recurrence of such an incident. Again in 1870 another invasion was prepared; but the Fenians were arrested and the movement collapsed. The British request that the United States pay for the damages wrought by the Fenians was refused. The Fenian movement which revealed considerable sympathy in America for the Irish doubtless contributed to the willingness of the British to settle the Civil War claims of the United States.

obstacles, in 1877 the fisheries commission awarded Great Britain \$5,500,000. The Americans were about as angry over this award as the British had been over the *Alabama* award. The United States had received \$15,500,000 from Britain in 1872, and within five years had paid back to the British \$7,429,819. Some were of the opinion that, by the appointment of a few more joint commissions, England would regain all of the *Alabama* award and more. However, there is little doubt today that the whole mess of claims and counter claims was settled at a low price.

CHAPTER V

The Election of Hayes and the End of Reconstruction

*Grant's
desire for
a third term
discouraged
by Congress*

THE burden of Grantism had practically wrecked the Republican Party in the election of 1874, and further revelations promised to complete the process in the Presidential election of 1876. But Grant, walled off from public opinion by the men who surrounded him and blinded to the true condition to which corruption, misgovernment in the North, and sheer despotism over the South had reduced the Republican Party, was eager to lead his party for a third term. The Lower House of Congress in December, 1875, cooled his ardor for a third term by passing a resolution by a vote of 234 to 18 that the violation of the two-term precedent set by Washington "would be unwise, unpatriotic, and fraught with perils to our free institutions."

THE PRESIDENTIAL CAMPAIGN OF 1876

*The nomina-
tion of Hayes,
the result
of division
among
Radicals and
unity among
Liberals*

The majority in the convention that met in Cincinnati on June 14, 1876, was scarcely representative of the rank and file of the Republican Party; they were the hand-picked representatives of the Conkling machine of New York, the Butler-Boutwell crowd in Massachusetts, Simon Cameron's machine in Pennsylvania, the Morton organization in Indiana, and the delegates of Negroes, scabwags, and carpetbaggers sent from the South by the "Radical rings." These unregenerate spoilsmen could scarcely be expected to support any sincere move toward selecting an honest and independent man for President. Nor did they willingly do so. Rather were they forced into it on the one hand by the division in their ranks arising from the mutual hatred of Roscoe Conkling and James G. Blaine, and on the other hand by the unity of purpose of the large minority that more truly represented the opinion of Northern Republicans. Roscoe Conkling and Oliver P. Morton were put forward by their machines. Benjamin H. Bristow, who had uncovered the Whiskey Ring and had consequently been forced to resign, was the nominee of the reform element led by Richard H. Dana in the convention; and Rutherford B. Hayes, reform governor of Ohio, was supported by his state and vigorously endorsed by Senator John Sherman. Robert

Ingersoll, the orator and famous atheist, nominated James G. Blaine in the name of the State of Illinois. Simon Cameron's machine nominated Marshall Jewell, the incumbent Postmaster General. On the first ballot the vote was as follows: Blaine 285, chiefly from the West; Morton 125, many of which were cast by Southern delegates; Bristow 113, scattered; Conkling 99, of which New York gave 69; Hayes 61, Ohio contributing 44; John F. Hartranft 58; and Jewell 11. Blaine was obviously the strongest candidate; but Conkling hated him, and Morton and Cameron would go along with Conkling, whereas the Republican delegates who were demanding honest government and civil service reform, remembering the Mulligan letters, would oppose Blaine as a corrupt spoilsman and a champion of continued Radical reconstruction of the South. With the Radical bosses led by Conkling and the reform element led by Dana and George William Curtis hostile to him, Blaine could never get a majority vote. On the seventh ballot both the Radical machines and the reformers concentrated upon Hayes and nominated him by a vote of 384 to Blaine's 351. Blaine then had his name withdrawn and Hayes' nomination was made unanimous. Thus by a combination of the worst and the best in the Republican Party was Rutherford B. Hayes nominated for the Presidency.



*Courtesy of The New-York Historical Society,
New York City*

RUTHERFORD B. HAYES.

The platform on which Hayes was nominated pledged the party to a high tariff for the protection of American labor; promised the redemption of the greenbacks and the resumption of specie payment; expressed the gratitude of the country to Grant for his great "service in war and in peace"; and promised the enforcement of the reconstruction amendments for the protection of the freedmen. In short, it held out no specific promise of better government in the North and no end to reconstruction in the South.

The Democrats, who had so foolishly nominated the erratic

*The
Republican
platform*

*The
Democrats
nominate
Tilden and
Hendricks*

Horace Greeley in 1872, now had several good men to choose from. They would have made no mistake had they chosen Horatio Seymour of New York to head their ticket; or they could have chosen General Winfield Scott Hancock, the hero of Gettysburg. However, Samuel J. Tilden, the reform governor of New York who had broken the Tweed Ring and the Canal Ring, was given the nomination on the



Harper's Weekly, November 11, 1876.

THE DEMOCRATIC TEAM. A REPUBLICAN VIEW
"Thou Shall not Plow with an Ox and an Ass Together.

second ballot. Thomas A. Hendricks, very popular through the South and West, partly because of his advocacy of greenbacks as legal tender, was nominated for the Vice-Presidency. The platform pledged the Democratic Party to the full payment of the national debt in specie and denounced the record of graft and misgovernment of the Republicans in the North and in the South.

*The issue: the
bloody shirt
vs. corruption
and mis-
government*

In the ensuing campaign James G. Blaine, who fell just short of receiving the Republican nomination, cleverly shifted the issue from graft back to the Civil War and to "Southern outrages" against Negroes and Unionists. Such waving of the "bloody shirt," especially in the West where so many Union soldiers lived, caused those who had been thinking of voting the Democratic ticket in protest against Grantism to stick to their party line. On the other hand, the Democrats stuck to their attack upon the Republican record of corruption

and misgovernment. In this mud-slinging, neither Hayes nor Tilden took an active part.

THE DISPUTED ELECTION

On the evening of November 7, the election day, the country learned that Tilden had carried New York, New Jersey, and Connecticut, and the reports from other doubtful states indicated similar results. In the South the eight states, where Radical control had been overthrown, cast their vote for Tilden. Even the three carpetbag states of Louisiana, South Carolina, and Florida had apparently cast a majority for Tilden. On November 8 the public press, with the exception of the *New York Times* and the *New York Herald*, which claimed that the election was in doubt, conceded the election to Tilden, and Hayes himself accepted defeat. Tilden had 184 undisputed electoral votes, whereas Hayes had only 165. If Tilden received one vote from either South Carolina, Louisiana, Florida, or Oregon, he would be elected; on the other hand it would be necessary for Hayes to receive all the disputed votes in order to win the election.

On November 8 the chairman of the Republican National Committee, Zachariah Chandler, and a fellow member of the committee, William E. Chandler, in a conference with a representative of the *New York Times*, agreed that the Republican Party should claim the entire electoral vote of the three Southern states and of Oregon where one electoral vote was in dispute. Consequently, on November 9 the *Times* announced that Hayes was elected; and quickly the Republican press of the country followed the lead of the *Times* and the Republican National Committee. There seemed, however, to be no doubt even in the minds of the most partisan Republican leaders that the Democrats had cast an eight to nine thousand majority vote in Louisiana, and that they had a small majority in Florida. As for South Carolina, the Republican vote was, on the face

*Tilden's
undisputed
electoral
vote 184,
Hayes 165;
four states
in dispute*



Photograph by Sarony.

SAMUEL J. TILDEN.

*The
Republicans
lay claim
to all the
disputed votes
on the ground
that the
Democratic
vote was
fraudulent*

of the returns, in the majority. Had the Democratic majority in Louisiana been accepted, or even one of the electors from that state, Tilden would have been elected. But the two Chandlers, with whom the Republican leaders quickly agreed, took the position that the Democratic majority in Louisiana and Florida represented a fraudulent vote, and that the Republicans had the majority of legal votes.

The rival governments in the Southern states in dispute return two sets of electoral votes

Quickly the Republicans took steps to make good their claims and dispatched to each of the disputed states political leaders who were willing to go to any lengths to secure the electoral votes. The "visiting statesmen" went before the state returning boards with unlimited funds and promises of government jobs. The Democratic Party sent its "visiting statesmen" too; but they could not offer the money nor, in the nature of things, could they promise these Radical carpetbag and Negro politicians government jobs, since the basic principle of their contest was to put these men out of office. In South Carolina no great amount of juggling was required on the part of the returning board to give both the state and Federal elections to the Republican candidates. At the same time, however, the Democratic Party in South Carolina under the leadership of Wade Hampton, the candidate for governor, claimed the state and Federal elections on the basis that the election officers at the polls had certified a Democratic majority. The result was that two sets of returns were made in both Federal and state elections. In Florida the "visiting statesmen," headed by William E. Chandler, had no difficulty in getting the Radical returning board to throw out the small Tilden majority and to certify the Hayes electors. At the same time, however, the state election, including both the legislature and the governorship, was carried by the Democrats. The Democrats immediately set up a new election board that declared for a Tilden majority, and in this way two sets of electors were returned from Florida. In Louisiana the state returning board, under the influence of the "visiting statesmen" and with the support of the Federal garrison, threw out 13,000 Democratic votes and thereby gave Hayes a 3437 majority; but here, too, the rival Democratic government certified the Tilden electors. In Oregon, where the popular majority was for Hayes, one of the Hayes electors had been found to be ineligible because he was a postmaster. The Democratic governor, although certifying the other two Hayes electors, filled the vacancy by naming the leading Democratic candidate; but the Republicans returned three Hayes electors. According to the Republican count, by claiming all the electoral votes from the three carpetbag states and Oregon, Hayes had exactly 185 votes and Tilden 184.

How, then, was the disputed election to be determined? The Constitution provides that "the President of the Senate shall in the presence of the Senate and House of Representatives, open all the certificates and the votes shall then be counted"; but this language offers no means of passing upon a disputed election. In 1821, when there was a sectional dispute as to whether the electoral votes of Missouri should be counted, the President of the Senate, at Clay's suggestion, simply announced that if Missouri's vote were counted Monroe was elected President by a vote of 231, but if it were not counted he was elected by a vote of 228. During the early days of reconstruction the Radicals had passed the twenty-second joint rule which enabled either House or Senate to prevent the counting of disputed electoral votes. This joint rule, which would have permitted the Democratic House to throw out the disputed electoral votes of Louisiana, South Carolina, Florida, and Oregon and thereby declare "no election," had been repealed by the Republican Senate's withdrawing its consent. This had been a shrewd political maneuver on the part of the Republicans, for under this rule the election would then have been thrown in the House which would have chosen Tilden. As it was, there seemed to be no way out. Feeling in the North, especially, was very tense and there was loose talk of putting Tilden in the White House by force.

Finally, after much argument back and forth, Congress agreed to the creation of an Electoral Commission to whom all the disputed election returns were to be referred. This Commission was to consist of five Representatives, five Senators, and five Justices of the Supreme Court. The Democratic House chose from its members three Democrats and two Republicans. The Senate chose three Republicans and two Democrats. The act creating the Commission designated two Democratic and two Republican Justices, and the fifth Justice was to be selected by the four thus designated. It was intended that Justice David Davis, who had been an Independent for some years, should be chosen. But the Greenback and Democratic Parties in the Illinois legislature upset the intent of the act creating the Electoral Commission by electing Davis to John A. Logan's seat in the United States Senate. Since the remaining members of the Supreme Court were Republicans, the four Justices were compelled to choose a Republican for the place intended for Davis. Justice Bradley, who was a conservative and who was respected if not popular in the South and among Northern Democrats, was chosen as the fifth Justice to serve on the Commission.

The Commission thus constituted was composed of seven Democrats and eight Republicans; and every ruling and decision was along

No constitutional provision and no precedent for settling a disputed Presidential election

The Electoral Commission created to pass on the disputed electoral votes

*The
decisions of
the Electoral
Commission
strictly
partisan;
Hayes declared
elected*

party lines. The Commission by an eight to seven vote set up the principle that Congress could not go behind the election returns when certified by the proper state authorities; but in doing this they were repudiating the action of the Radical Congresses that had been for ten years going behind election returns and designating which among the claimants was the legal state government. This, indeed, was the very essence of the reconstruction process. The principle thus established enabled the eight Republican members of the Commission to accept the verdict of the Radical returning boards and the certificate of Radical governors in each of the Southern states in dispute. In this fashion the Commission decided eight to seven that Hayes had received 185 votes and Tilden 184, and that Hayes was elected President of the United States.

*The "bargain"
between
Hayes and
the Southern
Democrats*

The Democrats were greatly disappointed over the results; and in the North there was deep bitterness, for Tilden had a popular majority of more than 200,000 votes. The South, although disappointed, felt less bitterness. Many of the Southern leaders appeared so unconcerned over the final results that they were accused of "selling out" to Hayes in return for the promise on his part to put an end to military reconstruction. Indeed, there was an agreement made at the Wormley Hotel between Hayes' friends, including James A. Garfield, John Sherman, Stanley Matthews, Charles Foster, and certain Southerners, among whom were L. Q. C. Lamar, John B. Gordon, Ben Hill, and Henry Watterson, that, if the latter would not oppose Hayes' election by the Electoral Commission, he would withdraw the military garrisons from the remaining carpetbag states and thus permit the Southern people to take over control. Nor can it be doubted that alert Southern leaders were fully aware that the rule of the Electoral Commission not to go behind properly certified election returns committed the Republican Party to a future position of nonintervention in Southern political affairs by Congress. This itself was worth more than one Democratic President. Hayes had, however, expressed himself freely and openly before and during the campaign in favor of putting an end to reconstruction, and it can hardly be doubted that he would have done so without the Wormley agreement. This agreement simply served to reassure and disarm a group of Southern leaders who were ready for desperate measures to end reconstruction. Hayes proceeded to carry out his campaign promise soon after taking office and home rule was restored to all the Southern states after twelve years of reconstruction.¹

¹ For detailed information on the Wormley agreement, consult bibliographical references for chapter five, section entitled "The Ending of Reconstruction."

THE SOUTHERN UNDERGROUND MOVEMENT

Two of the factors that contributed to the ending of reconstruction have already been discussed: the opposition of the Northern Democrats and Liberal Republicans to the Radical Southern policy; and the discrediting of Radical control in the North by the exposures of graft, inefficiency, and malfeasance in office during the two administrations of Grant. These had resulted, as we have observed, in the loss of state after state to the Democratic Party, in the loss of Republican control of the lower House of Congress in 1874, and in the decline of the Republican majority in the Senate. Two other factors within the South itself contributed powerfully to the ending of reconstruction: first, the organized resistance of the Southern people in a fashion similar to the underground organization of the countries occupied by the armies of Hitler in the Second World War but far more effective; and second, the division among the Radicals in control of the Southern states.

The Southern underground was usually called the Ku Klux Klan by the Radicals. As a matter of fact, however, there were numerous secret organizations of the white people. Perhaps the largest of these was the Knights of the White Camelia, which operated primarily in the Black Belt of the lower South. The more spectacular Ku Klux Klan, which operated more in the upper South—although it did not confine itself to any region—ranked second. Then there were the Order of the Pale Faces, The White Man's League, The Red Shirts, Shot Gun Clubs, and others too numerous to mention. Unable during a time varying from five to twelve years to appeal to either state or Federal government for protection from the Radicals marauding upon both their persons and their possessions, it was inevitable that the politically minded Southern white people, with their strong sense of self-respect and habits of self-help, should create the grim and powerful extra-legal secret governments such as the Klan and the Knights of the White Camelia.

The Klan proper was organized at Pulaski, Tennessee, in 1865, by a group of mischievous but bored young men who held secret meetings in an abandoned and "haunted" house with an idea of amusing themselves. Attired in fantastic hoods, cardboard hats, and long flowing robes, they stood on stumps and rock fences, and sat upon tombstones in the neighborhood grave yards near the roads, where the Negroes passed in their nightly goings and comings to and from the revival meetings, lodges, and Union Leagues. As was doubtless anticipated, the superstitious Negroes were frightened and would avoid the particular road where the tall and ghostly figures had been

*The factors
that put
an end to
reconstruction*

*The Ku Klux
Klan and
Knights of
the White
Camelia*

*The Ku
Klux Klan
organization*

seen. It was quickly realized that such devices and organizations could be used everywhere by the Southern whites to induce the Negroes to conduct themselves with more regard for law and order, and the organization spread rapidly in one form or another throughout the ex-Confederate States and even in some of the border states. The term "Ku Klux" was from the Greek *Kuklas*, meaning circle; and the word Klan was probably added for euphony as well as the implication of "clan." It was organized as a unified, military body at Nashville in April, 1867, and called itself the "Invisible Empire." In 1868 it reorganized so as to give its chief more power over the local Dens for the purpose of co-ordination and restraint. At its head were the Grand Wizard—who, it is supposed, was the famous Confederate cavalry leader, N. B. Forrest—and ten assistants or counselors carrying the fantastic title of Genii. Each of the Southern states was made a "Realm," over which ruled a Grand Dragon assisted by eight Hydras; the congressional districts of a state were Dominions under a Grand Titan and his council of six Furies; and each community had a Den under the Grand Cyclops whose two assistants had the appropriate title of Night Hawks. It was the Den or local chapter that performed the work and fulfilled or, at times, violated the purposes of the Klan.

*The Knights
of the White
Camelia*

The Knights of the White Camelia was a more mysterious order than the Klan and its methods were less violent as a rule. It made no use of fantastic titles and little of disguises. Its organizations from top to bottom were known simply as Councils; but its purpose, stated in its constitution, was frankly the overthrow of carpetbag-Negro rule and the restoration of Southern white control of Southern society.

Although the Ku Klux Klan appropriated the title, the entire underground movement might have been fittingly called the "Invisible Empire," for in truth these secret societies were for many years the only government to which the Southern whites could turn for protection.

*Little resort
to violence
until the
Union League
began its
career of
violence*

The Klan and its kindred societies did not usually resort to force until 1867-68, when the Union League, in its efforts to round up the Negro vote, entered upon a career of violence. During the first two years the Klan kept up its Halloween antics, riding over the countryside in fantastic disguises. A Negro who had committed some offense would be awakened at night to find half a dozen white-robed figures standing silently around his bed; or sitting upon white-robed horses in the yard. Eventually, a sepulchral voice might inform the Negro that he was beholding the ghosts of former white neighbors, who had been killed at Shiloh or Gettysburg, and who had been unable to rest because of misconduct of the Negro and his friends. The "ghosts"

would complain of great thirst, and would, by pouring the water into rubber or leather bags hidden under their robes, appear to drink gallons of water. Perhaps one of the white-robed figures would extend a skeleton hand on a long pole to shake hands with the Negro; after which, if the frightened Negro were still present and conscious, the "ghost" might reach up and remove from another pole, strapped to his back and serving as a neck, what seemed to be his head, usually a human skull, and proffer it to the frightened Negro, with appropriate remarks.

Such methods were effective for a year or more in restraining the Negroes and in inducing them to settle down. But by the time the Radical reconstruction acts of 1867 were being enforced, the Negroes were aware that white Southern men were underneath the ghostly apparel. The Freedmen's Bureau officials, the missionary teachers and preachers, and carpetbag politicians had finally convinced the Negroes that their nocturnal visitors were not ghosts. These various carpetbaggers had been working through the Union League. During the reorganization of the Southern states under the reconstruction acts, the League became an incendiary political instrument for the Radicals. The League members began to shoot into the ranks of Klansmen and to commit acts of violence upon peaceful citizens. The Klan and Knights reacted to this violently. Dens and Councils from distant neighborhoods and other counties, mounted upon fast horses, came in upon these midnight conclaves of the League and violently broke into the meetings, seizing both black and white leaders and carrying them to some secluded spot. Here they were tried by a court and not infrequently flogged and sometimes shot. Usually, however, the ring leaders had already been investigated by members of the local Den, and the company that broke into the League meetings was executing the verdict of the local chapter. Frequently, in raiding the Union League the Klan or Knights or White Leaguers met armed resistance, in which case those who had been Confederate soldiers stormed the meeting place with military procedure and frequently exacted a heavy toll. The underground organizations, however, did not confine themselves to breaking up the meetings of the Union League. They turned their closest attention to Bureau clerks, missionaries, and loud-mouthed politicians who were at the bottom of the Negroes' ill will and hatred toward Southern whites. These were warned to mend their ways or receive a visit from unknown parties. Usually such warnings were effective; but occasionally some abolitionist school teacher or preacher scorned such warnings with unhappy consequences ranging from being "bull whipped" to being shot.

*The resort
to violence
against the
Union League*

*The success
of the
underground
responsible
for the force
bills and
congressional
investigation*

The success of the Klan and the Knights of the White Camelia in breaking up the Union League and quieting or driving out many of the carpetbaggers and scalawags, during the time when the Radicals were putting into operation the military reconstruction acts of 1867, convinced the latter that these secret organizations were primarily concerned with the overthrow of Radical rule. The conviction that the Klan movement was aimed at regaining Southern white control was the dominant motive behind the force bills and Ku Klux Klan Act of 1870-71 which have already been discussed. The belief that the Klan movement was political resulted not only in the passage of the force bills, but also in the investigation of the Klan activities by a congressional committee. The evidence, which consisted of partisan Radical testimony and the answers of Southern whites to well-rigged leading questions, was used as the basis of a majority and a minority report.

*The reports of
the committee;
the minority
report most
effective*

The majority report upheld the idea that the Klan had for its objective the seizure through violence and intimidation of the Southern state governments. Radical reconstruction, the force bills, and the re-election of Grant were thus further justified in the eyes of Northern Republicans. The minority report, on the other hand, set forth the conditions in the Southern states that had given rise to the underground movement and, without upholding the methods of the secret organizations, laid the responsibility for those conditions upon the Radical Party. The majority report contained the same type of material carried in the Southern outrage columns of the Radical Northern newspapers, and consequently made no profound impression upon the Northern public, which was already weary of such and was concerned over corruption and misrule nearer home. But the minority report, setting forth for the first time in authentic fashion the conditions in the Southern states, was pondered by thoughtful people and had its part in the tidal wave of 1874 and the final repudiation in the North of Radical reconstruction.

*The Klan
officially
disbanded;
but whites
closely and
openly
organized*

The terroristic methods used to execute the force acts, especially the Ku Klux Klan Act, together with the growing violence of the secret orders, caused the more cautious and farsighted leaders officially to disband the Klan and kindred organizations. Actually, they were more closely organized than ever; but their organization was no longer secret nor did they wear disguises, and they were openly political. They announced that they were going to regain the control of the state governments at any cost. Organizations like the Red Shirts of South Carolina and the Mississippi Shot Gun Clubs rode over the countryside and through the towns and villages in large numbers, armed with braces of Colt revolvers and sawed-off

shotguns. Before election day they went from house to house and warned the Negroes not to go to the polls. On election day they rode to the vicinity of the polls and sat their horses quietly and menacingly. Always they stopped short of violence and advised against it; but by 1874 they were prepared to use violence if necessary to regain control of their states.

The final cause of the overthrow of reconstruction in the South was the division among the Radicals. In every Southern state the excesses of the carpetbaggers and the entrance of the Negro in politics caused most of the Union Democrats, scalawags, and the old Whigs who had collaborated with the Radical Republican Party, to desert the latter and join the Democrats; next, the more conservative carpetbaggers went over to the "white man's party," and finally, there was a division between the Radical carpetbaggers and Negroes, the latter of whom felt, correctly, that they were getting only crumbs. Thus split into factions, the Radicals became easy victims for the powerfully organized whites, who had taken over all but three states when Hayes brought the whole process of military reconstruction to an end.

JUDICIAL VIEW OF RECONSTRUCTION

The Supreme Court, restrained in part by congressional action (pp. 43 ff), and in part by fear for its own existence as an independent department of government, refrained until 1875 from expressing any opinion on the constitutionality of the Radical reconstruction laws. Indeed, reconstruction was virtually ended and the Radicals had been swept from power by the "tidal wave" election of 1874 before the Supreme Judiciary felt that the time had come to reassert itself. One cannot forego the conclusion later expressed by Mr. Dooley that the Supreme Court follows the election returns. At any rate the Court, beginning in 1875, proceeded methodically to demolish whatever remained of the legal basis of reconstruction. The military reconstruction acts of 1867 (pp. 40 ff) had in theory automatically terminated by the end of 1870, after the Southern states were all "readmitted" into the Union; and the Freedmen's Bureau law had expired in 1872 so that the Court had no opportunity to pass on them when they were in force. The most important laws of reconstruction remaining in 1875, when the Supreme Court turned to this matter, were the force acts and the civil rights law.

The first force act (1870) placed heavy penalties on all *persons* using threats, force, bribery, or other means to prevent citizens from voting. The President was authorized to use the armed forces of the United States to enforce the law. The second force act (1871)

The Supreme Court renders its decisions on reconstruction after the defeat of the Radicals

The force acts and Civil Rights Act

amended the first by placing the Federal elections under the jurisdiction of the Court. The third or Ku Klux Klan Act gave the President the right to suspend the writ of *habeas corpus* when he thought necessary and placed a severe penalty upon all *individuals* participating in Klan activities—presumably to interfere with the Negro voting and to curtail his civil rights. The Civil Rights Act (1875) secured to the Negro equal privileges in hotels, railway cars, theaters and other public accommodations. All these acts were directed at the *individual* rather than the *state* for interfering with the civil and political rights of the Negro under the Fourteenth and Fifteenth Amendments. It was on this point that the Court attacked the constitutionality of the laws.

*The
Fourteenth
Amendment
interpreted in
the Slaughter
House Cases*

Already in the Slaughter House Cases (1872), which had no bearing on reconstruction, the Court had laid the groundwork for its decisions on the force acts and the Civil Rights Act by its interpretation of the Fourteenth Amendment (Ch.XIII). The Court in the Slaughter House Cases declared in substance that the Fourteenth Amendment did not give the citizen any new civil rights nor transfer the protection of the body of civil rights to the Federal government; but that “almost the entire domain of the privileges and immunities of citizens of the State . . . lay within the constitutional and legislative power of the State.” Only under certain specific conditions did the Federal government have the right to pass remedial legislation: viz., when a *state* passed laws that abridged the rights of citizens of the *United States*, or deprived a person of life, liberty, or property without due process of law, or denied to any person within its jurisdiction equal protection of the laws. The most important point bearing on the force and civil rights acts was the clear-cut declaration of the Court that the Fourteenth Amendment gave the Federal government power of remedial action only against discriminatory laws of the *state*, not discriminatory acts of the *individual*.

*The Court
declares the
force and
the civil rights
acts unconsti-
tutional*

In 1875 the Court, in cautious language, declared most of the first force act unconstitutional on the ground that neither the Fourteenth nor Fifteenth Amendment gave the Federal government the right to punish *individuals* for preventing a citizen from voting. In the case of *United States vs. Harris* (1882), however, the Court, in unequivocal terms, declared the Ku Klux Klan Act and the main body of force laws unconstitutional. Its decision was based upon the principles of the Slaughter House Cases. The Ku Klux Klan Act, said the Court, was “framed to protect from invasion by private persons, the equal privileges and immunities under the law of all persons and classes of persons,” and “such a law cannot be founded”

on the Fifteenth Amendment "whose sole object is to protect from denial or abridgement, by the United States or States, on account of race, color or previous condition of servitude, the right of citizens of the United States to vote." Nor could the law be founded on the Fourteenth Amendment, which places "a restraint upon the action of the States" but not that of a *private person*; and since "the section of the law under consideration is directed exclusively against the action of private persons . . . we are clear in the opinion that it is not warranted by any clause in the fourteenth amendment" or any other part of the Constitution. The civil rights cases decided in 1884 declared the Civil Rights Act unconstitutional on the same grounds—namely, that it was directed against discrimination by *private persons* and not against discriminatory *state laws*.

The judicial view of the reconstruction laws—as far as the Court had an opportunity to pass on these laws—was that they had no constitutional basis whatsoever. These Court opinions were of twofold importance: by invalidating the force acts, the repeal of which Hayes had so vigorously opposed, the means of resuming the reconstruction of the South was removed; and the Federal character of the United States government was restored to a marked degree by the Court's insistence that the great body of civil rights still remained under state protection.

*Significance
of these court
decisions*

PART II

Social and Economic Trends 1865-1914

CHAPTER VI

Scientific, Social, and Cultural Developments

IN the period between the Civil War and the First World War there were developments in the United States—and throughout the civilized world—that profoundly altered the manner of life and thought of the people. The advancement in the knowledge of the sciences and the inventions based upon the practical application of scientific principles were the underlying causes of the change: they produced an industrial revolution with its accompanying social, cultural, and economic re-orientations. The new industrial revolution was characterized by mass production, by the nationalization of transportation and communication, by the development of the giant corporation to carry on this nation-wide business, and by the rise of the great cities and industrial towns where millions of employees foregathered from the peasant villages of Eastern Europe and the poverty stricken rural communities of America. The urbanization of the United States hastened the spread of public education and at the same time, together with the new scientific knowledge, brought about, temporarily at least, a decline of religion. The opposite side of urbanization was the depletion and often the complete ruin of the rural communities of America by the migration of so many of the inhabitants to the cities and industrial centers. The concentration of wealth and power in the hands of the great corporations resulted in the counter organization of the laborers and of the impoverished farmers.

THE PROGRESS OF SCIENCE AND INVENTION

Although great advances were made in every field of science, the greatest were in chemistry, physics, and biology. The inventions of this period were based primarily upon the principles of chemistry and physics. The outstanding inventions during the period under discussion were largely in the field of transportation and communication, and most of them were based upon the principle of the expansive power of gas, already well known, and the principles of electricity just discovered or in the process of being discovered. The

*The principal
inventions
occur in the
means of
communica-
tion and
transportation*

steam locomotive and the steamboat based upon the laws of gas expansion were, as previously observed (Vol. I, pp. 505-23) well developed long before the Civil War as the chief means of transportation. The automobile and the airplane, whose motive power was the internal combustion engine utilizing the principles of the expansion of gas when heated or exploded, were invented as competitors of the future. The telegraph had been in widespread use before the Civil War, and after that time were introduced the submarine cable, the telephone, the stock ticker and other automatic telegraphic devices, the typewriter—the latter, of course, being dependent upon the human hand for its motive power rather than electricity or gas—and finally, wireless telegraphy.

The street-car; its early history

The streetcar was the first medium of transportation to utilize electric power successfully. In 1880 Thomas A. Edison and his associate, Frank J. Sprague, built an experimental electric railway in Menlo Park, New Jersey, where the Edison laboratories were located at the time. Another short electric railway was built in Cleveland, Ohio, in 1884; and in 1887 Edison's partner, Sprague, built a complete city-wide electric railway system in Richmond, Virginia. The success of the electrically driven streetcar was—as has been true of most other successful inventions—the result of many experiments by many persons. As early as 1835 Thomas Davenport, a Vermont blacksmith, had built an electric carriage which he drove on the highway to the amazement—and doubtless disapproval—of his neighbors and their horses. In 1847 Moses G. Farmer constructed a locomotive driven by electric motor, which created much excitement in the New England towns scarcely yet accustomed to the steam locomotive. Four years later an electric locomotive was driven over the Baltimore and Ohio railroad from Washington to Bladensburg, Maryland—at distance of about fifteen miles—at the rate of nearly twenty miles an hour. These vehicles were driven by electricity generated by a battery; but electricity created by batteries could not compete with steam made by cheap wood or coal. Nor had the electric motor been sufficiently perfected to make it practical.

The successful streetcar dependent upon the development of the dynamo and electric motor

A source of electric power, greater, more constant, and cheaper than the battery had to be found before further advances seemed possible in the field of electrically driven vehicles. This source was to be the steam- or water-driven dynamo, which converted mechanical power into electricity. Michael Faraday of England and Joseph Henry, head of the Smithsonian Institution from its founding in 1846 until his death in 1878, had early discovered the principles of both the dynamo and the electric motor; but it took many years of experimentation and many hands to perfect these machines. Perhaps

Edison and Sprague did more than any others to make the dynamo and electric motor practicable, for, as observed already, they had installed an electric railway system in 1880 which required both machines to generate and utilize the power. Within a few years the dynamo had been so perfected as to make it economical to install electric railways in the cities and many of the towns. The perfection of the electric motor, it might be added, portended the doom of the steam engine in manufacturing.

The automobile had the same ancestry as the streetcar—namely, the horseless carriage driven by an electric current generated in a storage battery. Unlike the streetcar, however, the horseless carriage or electric automobile was unable to make direct use of the dynamo and consequently could never be widely adopted because of the expense and lack of range afforded by the storage battery. Some steam-driven machines were built in an effort to solve the problem of a practical horseless carriage; but such automobiles were too expensive and too cumbersome. It was not until the compact, relatively light but powerful, internal combustion engine was perfected that any progress was made in the development of the automobile. It is impossible to say who invented the internal combustion, gasoline-burning motor, for many hands were at work upon it before it was made at all practical. There is the record of a one-cylinder internal combustion motor being built in France as early as 1860; and in the next fifteen years fairly successful models were built in Germany and the United States. By 1890 French manufacturers were producing a few very expensive automobiles, and by 1892 two Americans, Charles Duryea and Ellwood Haynes, were making these cars.

These exclusive, luxury vehicles were not viewed with any favor by the rank and file of Americans who were suffering from the panic of 1893 and the succeeding depression. It was not until Henry Ford, a young Detroit mechanic, applied the principle of interchangeable parts and assembly line production that the automobile was made sufficiently cheap for people in modest circumstances. Ford had experimented with the light type of vehicle, driven by gasoline engine, for more than ten years when in 1902-3 he finally began to put his car in volume production and placed it on the market. Ford democratized the automobile and compelled the manufacturers of other cars to follow his example, with the result that the horse and buggy disappeared rapidly. Beginning with only a few hundred in 1900 there were as least 4,000,000 cars on the road by 1916.

The airplane like the automobile was no sudden invention. Man has always envied the ability of the birds to fly, and the legend as well as recorded history of ancient peoples indicated that vague hopes

The development of the automobile

Henry Ford's contributions: Mass production and interchangeable parts

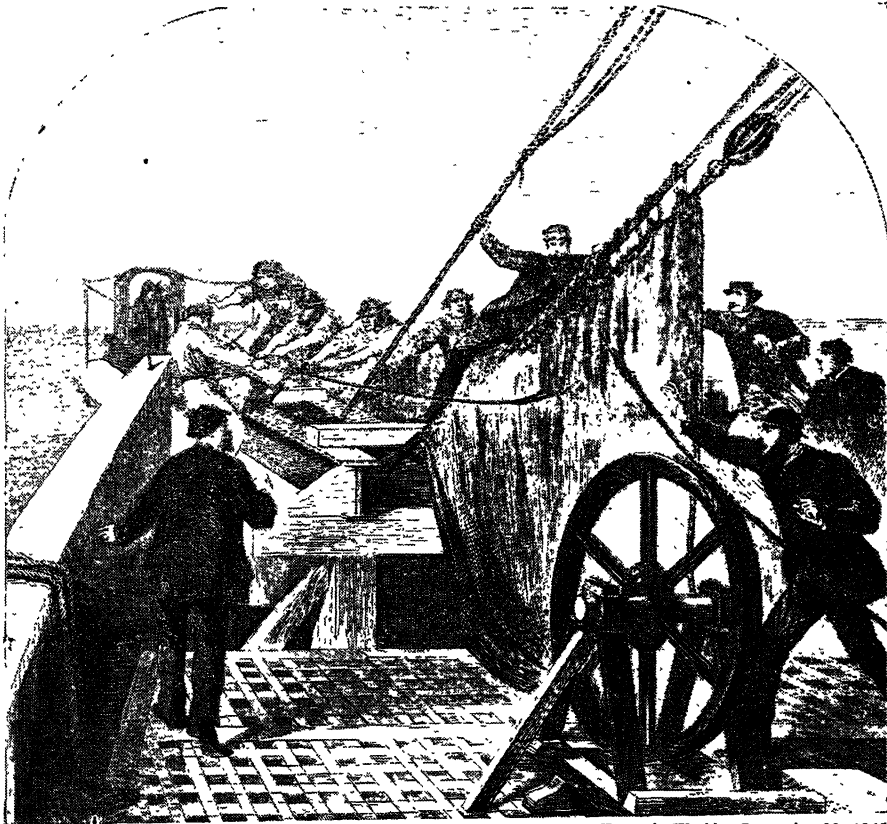
The airplane; Langlev's experiments

of attaining this art in some fashion were entertained. The balloon, of course, made the first successful flight ever accomplished by man; but it was cumbersome and unmanageable. Other, more birdlike machines were desired. During the latter part of the nineteenth century a number of men were experimenting with heavier-than-air flying machines, and some progress had been made in Europe with airplane gliders. In the United States it was Samuel P. Langley, head of the Smithsonian Institution, who constructed the first airplanes that would fly. He built scores of model planes that proved to be failures; but on May 6, 1896, he launched a plane sixteen feet long and forty feet from wing tip to wing tip, driven by a small steam engine, that flew a minute and a half and covered the distance of half a mile. Soon after that Langley launched another plane that flew three quarters of a mile at the rate of thirty miles an hour. Although these two planes were flown without an aviator, they demonstrated the practicability of airplanes heavier than air. It was quite obvious, however, that a steam engine powerful enough to drive a plane carrying an aviator would be too heavy to be lifted from the ground. The internal combustion engine was the answer to this problem just as it was to the problem of the horseless carriage. Langley and his assistant, Charles M. Manley, were finally able to build a powerful gasoline motor which they installed in a much larger plane than the earlier models. In October, 1903, Manley attempted a flight in this new plane, but damaged it so badly in launching that it fell in the Potomac River. Soon Manley was up in another plane which likewise failed, whereupon the United States government, which had borne the expense of the later experiments, withdrew its support, and Langley was never able to resume his work on the airplane. The old inventor, who knew that he had finally built a plane that would fly if properly handled, died three years later frustrated and broken.

*The successful
flight of the
Wright
brothers*

Perhaps Langley's disappointment was made even more poignant by the successful airplane flight at Kitty Hawk, North Carolina, of Orville and Wilbur Wright in the very month (December, 1903) that Langley's expensive plane had dived into the Potomac River. These practical young men had profited by Langley's experiments and by that of other students of flying. They had, like Langley, studied the flight of birds; and they had reached the conclusion that it was not merely the structure of the birds' wings, but also their skill in the use of them that made flight possible. This principle applied to the airplane meant that the skilled aviator was as essential as the correctly constructed airplane and its motor. Beginning with this point of view they experimented successfully for a while with large

gliders and in this way became accustomed to the manipulation of a plane. Finally they built a biplane equipped with a gasoline motor, and, unlike the unfortunate Langley and Manley who had no skill in aviation, they made several successful flights without mishap.



Harper's Weekly, September 23, 1865

THE BREAKING OF THE ATLANTIC TELEGRAPH CABLE ON BOARD THE
"GREAT EASTERN," August 2, 1865.

Their skill in flying enabled the Wright brothers to study their planes in the stress of flight, and this led very rapidly to the improvement in balance and control and in the development of the modern superdreadnaught of the air.

The advances in means of communication were as spectacular as had been those in the means of transportation; and they both were essential to the development of the great corporations and the consequent nationalization of business. The submarine cable, which was merely the underwater extension of the telegraph, had been in

*The trans-
Atlantic
cable*

use since just before the Civil War. Great Britain had a cable between Sicily and Alexandria, Egypt, and one between the Persian Gulf and a point in India; and France had laid one across the Mediterranean to Algiers. But it was the American, Cyrus W. Field, who succeeded first in laying a cable across the Atlantic Ocean. In 1858 Field successfully laid down a cable between Ireland and Newfoundland, which functioned for about a month and then went dead. It was not until the Civil War had ended that Field was able to obtain sufficient capital and government support to resume his experiments with a trans-Atlantic cable. In 1865 he laid another cable between Ireland and Newfoundland only to have it break. After having fished the cable up four times only to lose it each time because of inadequate hoisting machinery, Field returned to America and had his ship properly equipped and another cable constructed. This time he was successful, and very soon every important telegraph station in the United States was in contact with Europe and points in North Africa and Asia. Business could now keep in daily touch with the foreign markets and with branch offices in foreign countries.

Of greater use in the development of nation-wide business has been the telephone. It has become the universal means of communication in the United States. In business intercourse it often makes unnecessary the personal interview, and it places the headquarters of a business in communication with the managers of every department and every branch regardless of distance.

The invention and development of the telephone

The telephone was invented in 1876 by Alexander Graham Bell and his assistant Thomas A. Watson. Bell, like his father and grandfather before him, had been a teacher of deaf mutes; and he carried on the tradition of the family and furthered his knowledge of acoustics by the study of a dead man's ear. One day in 1876 while he and Watson were working with a magnetized telegraph wire stretched between two rooms some distance apart, it was discovered that sound made at one end of the wire was reproduced at the other end. Watson in one room had struck the telegraph wire with a piece of clock spring and the exact sound was transmitted to Bell at the other end of the wire in the other room. Convinced that the spoken word could be thus reproduced by the amplification of the sound at both ends of the wire, the two men applied the knowledge obtained from their study of the ear, and within a short time they had devised a crude transmitter and receiver. On March 10, 1876, Bell addressed to Watson, who was at the other end of the wire, the first spoken words ever sent over a wire: "Come here, Watson, I want you." Thirty years later, Bell in New York spoke these same words to

Watson in San Francisco, both men using the instruments that they had used in 1876.

The telephone was perfected over the years by the inventions of others. By 1890 at least 500,000 telephones were in use in the United States, and by 1914 there were about 10,000,000, or seventy-five per cent of all in the world.

Doubtless of even greater future consequence than the telegraph, the cable, or the telephone was the development of wireless telegraphy out of which came the radio, television, radar and the mysterious field of electronics in general. In 1901 the young Italian electrical engineer, Guglielmo Marconi, after about ten years of experimentation, was able to send a message from England to Newfoundland. Radio telegraphy was quickly taken up and improved throughout western Europe and America, and by the outbreak of the First World War it was almost universally used on ocean going vessels and widely used on land. *Radio telegraphy*

In discussing means of communication the typewriter should be given an important place. The first practical typewriter was invented by Charles L. Scholes in 1867 and was in use in most large business offices by 1885. Indeed, it was a vital factor in the development of big business; for it not only accelerated communication by its speed and legibility, but it aided greatly in bookkeeping and in the preservation of business records by the making of carbon copies of correspondence and other transactions. *The typewriter*

There were many other important inventions that contributed to the new industrial revolution, but there is little doubt that the most important of these was Thomas Edison's invention of the incandescent light bulb. The open arc light was already coming into use for out-of-door lighting; but it was too noisy and uneven for indoor purposes, and in 1878 Edison began his experiments that led to the invention of the incandescent light globe. His problem was to find a durable filament that would become sufficiently hot in a vacuum to give off light. After having failed with several metals and even hair, he dropped back to the idea of using carbon in some form—carbon was used in the open arc lights. At length after more than a year of costly experimentation, he found that a carbonized cotton thread sealed in a vacuum globe would burn forty hours. By using carbonized bamboo the life of the incandescent globe was greatly prolonged. Eventually other inventions improved the filament in the globe until finally tungsten became generally used. Of course, the central power stations were essential to any extensive lighting system and these were developed along with the electric lighting systems and electric railways. *Edison's invention of the incandescent light bulb*

Without the discoveries of such persons as Pasteur, Lister, Roentgen, Crookes, and the Curies in chemistry, biology, and physics, which brought a revolution in the field of medicine, surgery, and sanitation, the new industrial revolution could not have attained its modern proportions; for epidemic diseases and injuries would have slaughtered the laboring classes living in the crowded and filthy tenements of the cities.

*Pasteur's
discoveries
of the
bacteriological
origin of
fermentation
and diseases*

In terms of human welfare the greatest progress in medicine was the discovery of the germ and virus origin of most diseases and the development of antiseptics and serums for the treatment or prevention of such diseases. The pioneers in this field were the French chemist, Louis Pasteur, and the English surgeon, Joseph Lister. Prior to the period under discussion, Pasteur had discovered that fermentation and putrefaction were caused by living organisms of microscopic proportions, soon called bacteria, microbes, and germs. Pasteur quickly established the hypothesis that diseases in plants, animals, and persons were caused by these microscopic organisms; and within a short time he proved the truth of his hypothesis by stopping the spread of the silk worm disease and an epidemic of anthrax among the sheep and cattle of France. He had made a serum for immunizing the cattle against anthrax; and after a few years he developed a serum for the prevention of rabies or hydrophobia, the most fatal and horrible of any malady of man or beast. In 1888 he established the Pasteur Institute for the treatment of those who had been injured by animals suffering from the disease. Before the outbreak of the First World War this treatment was readily available in most cities of the civilized world. Before his death Pasteur made many other great contributions to science. He was, of course, the father of the new science of bacteriology and of preventive medicine.

*Joseph Lister,
the father of
antiseptic
surgery*

Joseph Lister, a contemporary of Pasteur, had observed with anguish the death from infection of patient after patient on whom he and other skilled surgeons had performed successful operations. Gangrene and blood poison were the twin "deathheads" that stalked the hospitals wherever operations were performed; and even before Pasteur had applied his knowledge of the causes of fermentation to the prevention of diseases in plants and animals, Lister had come to believe that tiny organisms were responsible for the infections that followed operations and wounds. He had not been able to establish the truth of this hypothesis, however, before Pasteur had done so; and he gratefully built upon the foundations laid by the great Frenchman. His primary interest naturally was concerned with the prevention of infections in surgical wounds and other injuries rather than in the broader field of preventive medicine. About 1864 he

learned of Pasteur's discoveries of the relation of germs to disease and fermentation, and he promptly applied the idea to surgery by thoroughly sterilizing his instruments, his hands, the bandages and the wound with carbolic acid. The results thus obtained were miraculous, and Lister soon published a treatise on his antiseptic system, which became the foundation of modern antiseptic surgery.

Of great importance to surgery and medicine were the discoveries in 1895 of Wilhelm Konrad Roentgen, a German, of the X-rays and the development by himself and the Englishman, Sir William Crookes, of the X-ray machine. This machine, because of the penetrating power of its rays, could photograph the interior of any portion of the anatomy and became an invaluable aid in diagnosis. The X-rays have also proved of considerable benefit in the treatment of certain diseases.

*The
X-rays*

Three years later, the Frenchman, Pierre Curie, and his wife, Madame Marie Curie, assisted by G. Bemont, obtained radium from the uranium mineral, pitchblende. Radium has been used like X-rays for the treatment of certain diseases. Perhaps its greatest significance is its relation to the atom bomb of a later date.

Radium

IMMIGRATION

The hordes of North Europeans that had begun coming into the United States before the Civil War continued in increasing numbers until about 1880 when they were succeeded to a large extent by Southern and Eastern European immigrants. With the exception of the Irish, whose poverty compelled them to seek employment in the factories and mines of the East, the bulk of the North European immigrants went to the cheap farmlands of the West. They had been excellent small farmers in their homeland; and their move to the American West was for the purpose of obtaining more and better lands than those back home, just as was the case of the Americans moving to the frontier. They were literate and thrifty and soon procured good family-size farms. Because of their similarity to the old American stock in race, customs, religion and—except in the case of the Germans—political ideology, they were very assimilable. The fact that, between the Civil War and the First World War, from 10,000,000 to 12,000,000 Swedes, Norwegians, Danes, Germans, Irish, Scotch, Welsh, and English came to the United States presented no real problem in national and racial unity.

*The North
European
agricultural
immigrants
similar to
native
American
stock, easily
assimilated*

The South and East European immigrants—Russians, Poles, Hungarians, Bohemians, Slovaks, South Slavs, Greeks, Roumanians—most of whom came to the United States between 1880 and 1914, numbered about 10,000,000 by the latter date. They were impoverished

The South and East European immigrants segregated in cities; they prove difficult to assimilate

peasants and Jewish refugees from Russian and Polish ghettos. These able-bodied but ignorant immigrants were rushing to America's new frontier—the cities and towns lying in the Northeast and old Midwest, which the new industrial revolution was developing as if by magic. The railway, steamship, and industrial corporations were largely responsible for bringing in the new immigrants. They wanted cheap and willing labor which would underbid native labor or that from the industrial North European countries. Millions of these



Harper's Weekly, May 6, 1871.

THE MODERN ARK.

Drawn by Sol Eytinge, from a Sketch by E. S. Bisbee.

immigrants were young men who planned to make a small fortune and return to their native village, and this type could not be assimilated. They took no interest in the welfare and the life of the new country, but were mere sojourners. Even those who planned to stay—and they comprised the larger portion—were so different in customs, language, religion, and physical appearance from the old American stock and the North Europeans that they seemed to be impossible to assimilate. For two generations, indeed, until the war and the laws restricting immigration put an abrupt stop to this peaceful invasion, the new immigrants almost Balkanized the Northeast and the old Midwest. Each group segregated itself and compartmentalized the cities; they clung to the customs, language, and religion of the European homeland.

More detrimental to America than their attachment to the customs, language, and religion of the fatherland was the political outlook of those from Eastern and Southern Europe. Although most of them had fled from the dark tyranny of their respective lands, the fact remains that they were without conception of the meaning of free government and personal liberty. Accustomed to arbitrary government and the all-powerful state, they could not understand the significance of constitutional restraints upon government. What they asked was not free or good government, but benevolent government; and they were, therefore, easily swayed by leaders who promised them the good things of life.

*A serious
problem for
democracy*

The impact of the later immigration upon the cities of the United States is shown by the census of 1910. Native inhabitants of American parentage comprised sixty-four per cent of rural America, but they made up only thirty-nine per cent of the population of the cities of from 100,000 to 500,000 and less than twenty-seven per cent of cities exceeding 500,000.

*The impact of
immigration
upon the
cities*

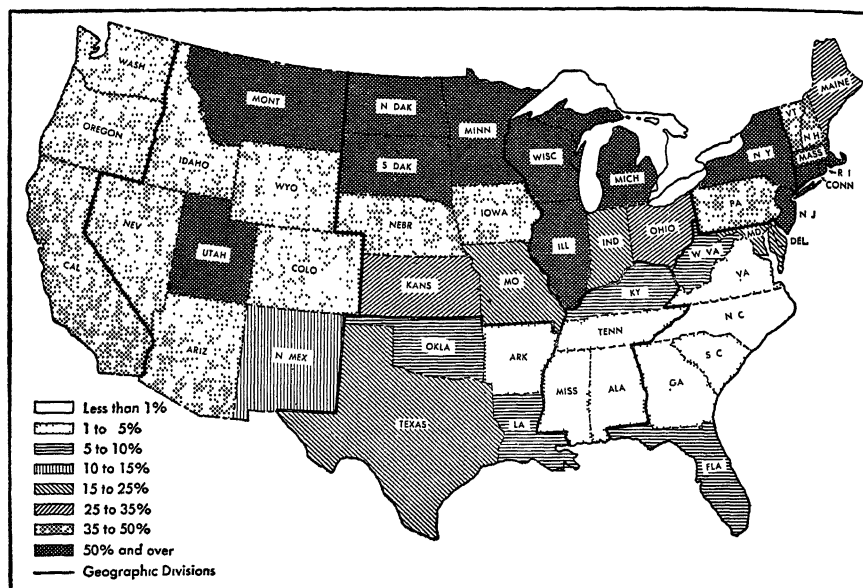
Since the immigration to the United States has been virtually ended and reinforcements thus cut off, the problem of assimilating culturally and politically the descendants of those from Eastern and Southern Europe has largely disappeared. The public school system where all have had to learn the English language, the national games of football and baseball, city playgrounds, boys clubs, and other youth organizations, to mention only a few assimilative influences, have served to Americanize the younger generations. Nor can the influence of the two World Wars be discounted as important nationalizing factors. One only has to glance at the names of those on the college registers, football and baseball teams, and in the college and professional orchestras to realize that the younger generation of our more recent European immigrants are now as much a part of America as are the descendants of those who founded Virginia and Massachusetts.

*The
descendants
of the Eastern
and Southern
Europeans
thoroughly
Americanized*

The 300,000 or more Chinese who came to the United States and chiefly to the West Coast between 1849 and 1882 when the first exclusion act was passed (Ch.X,f.n.1) were not true immigrants. They were young peasant men who came to work in the mines, to build railroads, to run laundries and restaurants, and to serve as domestics in the households of the affluent whites. They did not bring their women folk as a rule, and their intention was to return to China when they had earned a sufficient amount to become independent merchants and farmers. An untold number doubtless succeeded, and the story of the return of these men to their homeland where they were greatly elevated in the eyes of their old neighbors

*The Chinese
and Japanese
on the West
coast*

is a romance that yet remains to be written. Many more, however, remained and lived out their lives in the Chinatowns of the cities where they had congregated. Later they were joined by their wives and other female members of their families, and became permanent



PERCENTAGE OF FOREIGN-BORN WHITES AND NATIVE WHITES OF FOREIGN OR MIXED PARENTAGE COMBINED IN THE TOTAL POPULATION—1910.

inhabitants—although it was not until the Second World War that citizenship was bestowed upon them. The Chinese were energetic, conscientious, and efficient workers, and on this score they were superior to native American and Irish labor of the time. But they were able to work for much less, too, and save most of what they made, for they were accustomed to living at the very lowest level of subsistence, and this enabled them to underbid the white laborers. It largely explains that violent opposition that grew up on the West Coast to Chinese immigration and to the Chinese in general; and it, of course, was the basic cause of the series of exclusion acts that cut off Chinese immigration after 1882. After 1900 the Japanese began to migrate in large numbers to the West Coast and by 1906 there were about 75,000, and the exclusion policy had to be applied to them also.

Neither the Chinese nor the Japanese have proved assimilable. The Chinese even more than the Japanese have clung to their native

customs, religion, and way of thinking. It is well then that the immigration of these Orientals has been virtually ended,¹ for it seems highly probable that millions upon millions of them would have eventually settled on the Pacific slope and even further east, and this would have disrupted the unity of the country.

URBANIZATION AND THE DECLINE OF RURAL LIFE

The new industrial development that brought the millions of European immigrants to America and to the urban centers swept millions of native Americans from their rural homes and sucked them into the city as into a vacuum. For weal or woe, parts of the Pacific slope, the old Midwest, the Middle Atlantic states, and New England became predominantly urban. In the latter two sections the rural population declined and some communities resembled the ghost mining towns of the West. The trans-Mississippi West and South remained rural and agrarian, although the two sections suffered serious loss by the migration of many of the young people to the cities of the North and East. If one defines as urban all population centers with 8000 or more inhabitants, then about one sixth of the American people were urban in 1860, one third in 1900, and by the end of the First World War about two fifths. If a population of 2500 is adopted as a test for urbanization, then by 1918 at least half the people of the United States could be classed as urban.

It was the rise of the great cities, however, rather than the growth of towns and small cities that constituted the real urbanization of America. The growth of the cities was phenomenal as will be seen from a few leading examples. New York in 1860 had a population of about 850,000, but by 1914 it had about 4,000,000. Chicago with its 110,000 in 1860 was no more than a big country town, but by 1914 it had more than 2,000,000 people and ranked next to New York in size. Philadelphia had grown from 563,000 in 1860 to more than 1,500,000 by 1914. Pittsburgh, Cleveland, Detroit, Minneapolis, Milwaukee, Cincinnati, Louisville, St. Louis, Atlanta, Birmingham, New Orleans, Houston and San Francisco were growing after 1900 almost as rapidly.

The millions of impoverished and ignorant East and South European immigrants, usually from farms and primitive peasant villages, who settled in these large cities brought with them their primitive, rural habits. The immigrants from the rural communities of America, although better educated and accustomed to a higher plane of living, nevertheless, brought with them their rural habits

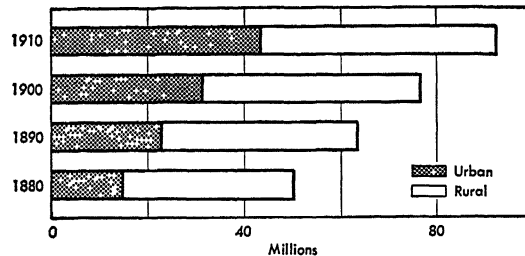
The United States becomes urban except in the South and portions of the West

The rise of the great cities

Some problems of the cities

¹ The Chinese quota of immigrants to the United States was established at 105 per annum in 1943.

and outlook. The housing problem which these newcomers, both American and European, created was worse than it was to be after the Second World War. Even before the great migration began the American cities had not taken adequate care of the working people. New York in 1860 had one hundred thousand people, or about one eighth of her population, living in tenements without lighting



URBAN AND RURAL POPULATION—1880-1910.

facilities or adequate ventilation. An estimated twenty thousand were living in cellars, others lived in "flop houses" where a bedding of vermin-filled straw cost two or three cents a night. Blacks and whites, men and women, slept thus in serried rows of filth. As late as 1902, and despite such exposures as Jacob Riis' *How the Other Half Lives* (Ch.XX), New York's slums were just as bad and much bigger than in 1860.

Tenement conditions in many instances [one official reported] have been found to be so bad as to be indescribable in print; vile privies and vile sinks; foul cellars full of rubbish, in many cases of garbage and decomposing fecal matter; dilapidated and dangerous stairs; plumbing pipes containing large holes emitting sewer gas throughout the houses; rooms so dark that one cannot see the people in them; cellars occupied as sleeping places; dangerous bakeries without proper protection in case of fire; pigs, goats, horses, and other animals kept in cellars; dangerous old fire traps without fire escapes; disease breeding rags stored in tenement houses; halls kept dark at night endangering the lives and safety of the occupants; buildings without adequate water supply—the list might be added to almost indefinitely.

Boston, Philadelphia, Baltimore, all the cities old and new, had similar conditions among the poorer, laboring classes.

Conditions for the rich and for those with adequate incomes were, of course, different. As the great street railway systems were constructed and extended and the automobile came into use the cities

spread out; large suburban "subdivisions" developed, some devoted to the exclusive mansions of the rich and others to the cottages of those with modest incomes.

Although it scarcely can be said that housing was much improved for the slum dwellers during this period, certainly great strides were made in other directions. Departments of health and public health laws did much to improve sanitary conditions; sewage disposal and a plentiful supply of good water were two problems that were solved in the cities by the end of the century; preventive medicine founded by Pasteur and Lister stamped out epidemics. Parks were established for recreation, where baseball, football, and other American sports relieved the deadly monotony of the tenements and the alleyways.

The cities of the new industrial era were not organic societies such as had evolved in Europe and even in ante-bellum America. They were vast aggregations of individuals, strangers to one another, unfriendly and frequently hostile, a hodgepodge and hash of humanity pulled from its roots in the rural communities of Europe and America and transplanted in a strange and inhospitable environment. That there should be moral and social deterioration in people thus removed from the controlling influence of public opinion and family counsel of the small community was only natural.

But what of the rural communities from whence these new city dwellers came? The congested European communities were, doubtless, benefited in the long run; but the rural American communities, where population was relatively sparse, were seriously injured and frequently ruined. The rural villages of New England, once neat and thriving, suffered a steady decadence, until the scenes from Goldsmith's "Deserted Village" could have been duplicated in numberless places—although many such towns were later rehabilitated by immigrant truck and dairy farmers. The deterioration of rural life in the trans-Mississippi West and South, as manifested in church, local school, community entertainment, games and general neighborliness, meant the decline of those sections as a whole; for they did not have the cities and industries to counterbalance, economically, the losses suffered by the country districts. Perhaps the most serious loss to the rural sections of the United States has been that of many of its energetic, able, and well-educated young people—potential leaders—who went to the North and East as writers, editors, scholars, lawyers, or to become captains of industry and masters of capital.

EDUCATIONAL DEVELOPMENTS

During the fifty years following the Civil War public primary and secondary school systems, outside the South so impoverished by

*Later
improvements*

*Moral
deterioration
resulting
from rapid
urbanization*

*The evil
effect on rural
communities
of the migra-
tion of their
population to
the urban
centers*

*Elementary
public
schools*

war and reconstruction, continued to develop at a greatly accelerated rate along the lines laid out by Horace Mann, Henry Barnard, and John D. Pierce. The census of 1870 listed 6,871,000 pupils enrolled in the public elementary schools. In 1900 there were 15,503,000, and by the end of the First World War more than 20,000,000 were attending elementary public schools. Of course the quality of educa-



Harper's Weekly, June 28, 1873.

THE NOON RECESS.

Drawn by Winslow Homer.

tion received varied from place to place. The country school, more often than not, was a one-room, one-teacher school. In many cases the teacher had just completed high school, although occasionally he or she had attended normal school or college. Despite the usual group of tough young men whom the teacher had to thrash or outwit in order to maintain his standing, and notwithstanding the constant hum of recitations that made the one-room schoolhouse sound like a beehive in June, the rural school laid the educational foundations of many great men. There was nearly always a boy or girl in the school with a yearning for knowledge seldom encountered in a city environment where there are so many interesting diversions. Then, too, the relationship between student and teacher was personal and

frequently very close. The town and city schools were, of course, staffed with better trained teachers and the grades were usually taught in separate rooms. On the other hand, in the larger cities at least, mass education was severing the personal ties between teachers and pupils, especially where so many of the latter were foreign or of foreign parentage; and it was, no doubt, lowering the average of intelligence of the student body.

The secondary public school system grew even more rapidly than the elementary. Prior to the Civil War the private academies, many more or less subsidized by the state and county, had been the principal secondary schools. Many of them were fine junior colleges where a student was given a good education, and others were high schools. They were private institutions, however, and after the Civil War they were rapidly replaced by the public high school supported by taxation. In 1860 only a few thousand students were enrolled in public high schools, but by 1914 the number had passed the million and a half mark. In addition to this great enrollment in the elementary and secondary public schools, several million pupils were attending private and church schools at the end of the period.

The secondary public school system

The great increase in the number of schools and pupils gave rise to the demand for teachers specially trained for the profession; and the development of the teacher training or normal school followed. In 1860 there were only twelve normal schools in the United States; but fifty years later there were more than three hundred, and departments of education for the training of public school teachers were established in the state universities and the larger endowed institutions.

Teacher training

The development of higher education was as spectacular as that in the elementary and secondary fields. There were many factors that contributed to this growth, some tangible and some intangible. The most fundamental factor was the almost universal assumption that liberty and free government could not long endure among an ignorant people, that indeed they depended upon an enlightened citizenry and an educated leadership. One cannot overestimate the strength and universality of such a belief; and one should not be surprised to read the reports of backwoods grand juries in the pine barrens of Georgia and the border settlements of the Northwest making pleas for the education of the young people for the perpetuation of freedom that have the fervor and conviction of the Declaration of Independence.

Influences in the development of higher education:

Free government dependent upon an enlightened citizenry

Of great importance in the development of higher education in the United States was the influence of the German universities. In colonial times many Americans had studied in the English univer-

The influence of the German universities

sity (1868), Vanderbilt (1875), Johns Hopkins (1876), Tulane (1884), Leland Stanford Junior (1891) and the University of Chicago (1892). Older institutions received an immense stream of funds from alumni and from the men of vast fortunes who were founding the universities referred to above. The endowment of Harvard University, for example, increased from about \$2,500,000 in 1869, when Charles W. Eliot became president, to more than \$100,000,000 by the time of the First World War; and the endowments of other private institutions like Yale, Princeton, and Northwestern showed similar, although smaller, increases. State institutions built up endowments from private benevolences so that the American universities, taken as a whole, were receiving incomes from private sources comparable to the grants from the state and national governments.

Private philanthropy aids in founding and expanding institutions of higher learning

Not only was there an unprecedented development in size, number, and wealth of colleges and universities after the Civil War, but there were equally great changes in methods of instruction, in the curriculum, and in the student's freedom of choice of subjects—the elective system. The laboratory method in science and the analogous seminar method in teaching history were imported into the United States by scholars trained in Germany. The changes in the courses of study were in part an adaptation of education—as in the establishment of colleges of agriculture and mechanics—to the scientific and social revolution taking place in America and elsewhere, and in part the result of German and French influence. Elaborate courses in history, government, political economy, modern languages, English literature, physics, and chemistry were put into the curriculum where heretofore such studies were conspicuous for their absence or were mere scraps to be taught by anyone able to hold a textbook in his hand.

Changes in the methods of teaching, in the curriculum, and in the course requirements

The elective system so widely introduced into the American colleges and universities in the period under consideration grew in part out of the broadening of the curriculum beyond the ability of one student to take all the courses offered; but it was partly derived from the practice of the academy system which had flourished so vigorously before the Civil War. Perhaps in some cases the influence of the German universities—where the elective principle had been so long practiced—was predominant. The University of Virginia under the tutelage of Thomas Jefferson, who was acquainted with both the American academies and the European universities, adopted the elective system in the beginning. The University of Michigan, whose president, Henry P. Tappan, and members of the Michigan faculty—including at one time or another Andrew D. White and

The introduction of the elective system

Charles Kendall Adams—were products of the German graduate schools, adopted the elective system to some extent prior to the Civil War and very liberally afterward. General Robert E. Lee, who was well acquainted with the practices of the University of Virginia, installed the elective system in 1866 at Washington College (later Washington and Lee University) along with a very modern curriculum. In 1869 Charles W. Eliot, graduate of a German university, became president of Harvard, which he began to develop into one of the world's great universities. Under his leadership the curriculum was broadened and logically, since the field of choice for the student was so wide, the university permitted freedom of choice by adopting the elective system to a marked degree. It was the wide range of choices—made possible by the elaborate curriculum—and Harvard's great prestige under Eliot that identified the elective system with that university rather than with the other universities that already had this system. Certainly the example of Harvard was very powerful and was soon followed by other universities and colleges.

*The
development
of graduate
schools*

The establishment of graduate and professional schools in the American universities resulted, inevitably, from the training that the leaders in American education had received in Germany where such schools were already highly developed. Yale established a graduate school in 1871, Harvard in 1872, Johns Hopkins University was founded in 1876 as a graduate school, and Columbia opened its graduate school in 1884. Since the highest degree awarded in the German universities was that of Doctor of Philosophy or the Ph. D., the Yale, Harvard, and Johns Hopkins graduate schools adopted the Ph. D. as their highest degree. The Master of Arts degree, which constituted the highest degree in British universities, was assigned a much lower rank in the American graduate schools. Within a few years other universities began graduate work, and not many years after the opening of the twentieth century most of the endowed universities and several state universities, such as Michigan, Wisconsin, Illinois, and California, had established graduate schools. The number of graduate students rose from eight in 1850 to nearly 6000 in 1900; and the number of Ph. D. degrees from one in 1861 to 607 in 1916. From its inception the degree of Doctor of Philosophy has stood for three or four years of graduate work and original research. Ultimately the requirements for obtaining this degree have become more exacting in the matter of research than they were in Germany when that country was at the crest of its educational glory (prior to the rise of Kaiser Wilhelm II and Hitler).

The agricultural and mechanical arts colleges which trained

professional agriculturists and engineers, already noted, were usually on an undergraduate level. But the professional schools in law and medicine established or developed in the period after 1865 were from the beginning essentially graduate institutions. In the forefront of the medical schools were those of Harvard, Johns Hopkins, and the University of Pennsylvania, soon closely followed by medical schools at a dozen other large universities. The medical schools, unlike the arts and science departments, were for a long time influenced more by the British and French medical scientists than the German. The antiseptic surgery introduced by Lister and Pasteur's revelations concerning the relation between microbes and certain diseases were the very cornerstones of the new medical science in America.

Professional schools

The law schools at the larger universities beginning with that of Harvard revolutionized the study of law by the introduction of the case method by which many similar cases were examined in the process of determining the fundamental legal principles. Heretofore law students had used textbooks dealing rather generally with legal principles, and it was only after becoming practicing lawyers that they got down to cases. Doubtless British practice was a strong influence in establishing in the law schools the systematic study of cases, for the Inns of Court in London had always used this method of training lawyers.

TRENDS OF THOUGHT

Perhaps the most powerful influence in American thought after the Civil War was the theory of evolution, first stated by Darwin and expanded and applied broadly by Spencer, Huxley, and others. The general principle was that all complex forms of plant and animal life—including man—had evolved over a long period of time from some lower organisms. In this process of evolution only the hardiest individuals survived—the “survival of the fittest.” Geologists and paleontologists doubtlessly established the evolutionary process in many species of plants and animals. The missing link between the lower animal and man was not factually established, however; but most scientists and men of letters had a tendency nevertheless to accept the principle of evolution in accounting for man's existence.

The theory of evolution, the most powerful influence in American thought after the Civil War

Social philosophers quickly seized upon the idea of evolution as the underlying principle not merely of the individual person but of society itself. In short, society was an organism and was in the process of evolving into a higher form. Such a conception made men of the late nineteenth and early twentieth century optimists; for regardless of what individuals might do, society as a whole was growing better day by day. In the eighteenth century, perfection was considered

Theory of evolution applied to society

attainable by man's mastery of all the laws of nature; but after the evolutionary theory came into general acceptance individual man was relieved of much of his responsibility for the progress of his species, for nature now would take care of such matters.

In the field of economic thought the Darwinian theory of the survival of the fittest greatly strengthened the doctrine of *laissez faire*, which was already more extreme in America than in Europe because of the greater opportunities in a large, rapidly growing nation. It justified in their own eyes, and even in the eyes of the less "successful," the jungle ethics of such "robber barons" as Gould, Daniel Drew and others. To prey upon one's weaker fellowman was the law of nature, and of "success." The literature of political science, economics, and sociology reflect this new sanction to the doctrine of *laissez faire*. At Yale University, William Graham Sumner, in his lectures and writings on economics and sociology, at Columbia University, W. J. Burgess, in the field of political science, and in England, Herbert Spencer were apostles of the doctrine of unrestrained individualism and the application of the theory of evolution to society.

Effect on
theology
and religion

The discovery of the evolutionary nature of plant and animal life and the great age of the earth and of the stars was for a long time of disastrous consequences both to theology and to religion itself, for it caused a bitter reaction against religion. Orthodox theology was based upon the belief in the verbal inspiration and therefore the verbal truth of the Scriptures. The Bible stated that God created the heavens and earth and man all in six days; it seemed to imply that the earth was only a few thousand years old; it spoke of the four corners of the earth; it said the mustard seed was the smallest of all seeds; and that Noah loaded on the ark a male and female of every species of animals. But geologists, botanists, and zoologists have proven that plants and animals were created over a period of millions of years, and that the earth is not just a young thing. It is known even by very ignorant people today that the earth does not have four corners; and that even a tobacco seed is many times smaller than a mustard seed. As for putting two animals of every species on Noah's ark, a couple of mastodons and dinosaurs would have sunk it. Higher criticism and the study of other religions further weakened the belief in the verbal truth of the Bible. The Scriptures were subjected not only to the tests of scientific knowledge, but to historical knowledge and to textual criticisms. Comparative studies were made of the literature of other religions, and the similarity of doctrines and of the religious story or myth was often found to be striking indeed. The conclusion seemed to be that the Bible was not inspired or that the sacred literature of other religions were equally inspired.

Many religious leaders repudiated the obvious truths of higher criticism and those derived from the study of other religions, and they denied the obvious facts of biology, zoology, botany, geology, and geography concerning the general evolution of plants and animals, the great age and nature of the physical universe, and numerous other matters contradictory to the Bible. Religious leaders like Dwight L. Moody, Ira D. Sankey, and Sam Jones closed their minds and held to the literal truth of the Bible and demanded that everyone else must do so as the price of salvation. The less informed rank and file could accept such preachments, and even persons whose education qualified them to exercise a more critical judgment clung in cold desperation to the theology based upon the verbal truth of the Bible.

Many of the better informed, when presented with the findings of the higher critics and the studies on comparative religion and with the conflict between science and the literal truth of the Bible concerning the nature of the physical universe, could not follow Sankey or Sam Jones. Either they became agnostics like Ingersoll, atheists like Mark Twain, or they accommodated themselves to a newer theology based upon the Scriptures as a spiritual document and not a treatise on the physical universe. With the passage of time this view of the Bible has come to prevail in the theology of most Christian and Jewish churches. Briefly this view is that some portions of the Old Testament were fables never intended by their authors—such as Moses and David—to be taken literally. They were to teach a moral lesson and were so understood by the Jews for whom they were written. Other portions were legends handed down from countless ages by the Jews in the effort—common to all races—to explain their origin and history. On the other hand, other parts were obviously serious history which had been recorded with general accuracy. At the heart of the Old Testament, whether fable, legend, history, prophesy, or the songs of David and Solomon or other Hebrew poets, modern theology recognized the seeking of a primitive but devout people after a knowledge of God. The New Testament has been accepted as being more factually correct than the Old, since the happenings recounted there were within a period of well-recorded history; and again, states theology, here is still the spiritual seeking and the clearer spiritual revelation. It is recognized that in both the Old and the New Testaments man was vastly ignorant of the physical universe, and that whatever spiritual revelation he might experience, he would understand it and write or speak about it in terms of his limited knowledge. In other words the newer view of the Scriptures was that man's spiritual knowledge of God did not

Many religious
leaders
repudiate the
obvious truths
of the sciences

The newer
view of
theology:
The Scriptures
a spiritual
document
and not a
scientific
treatise

in any way depend upon man's knowledge of the physical world, and that, therefore, God did not reveal to Moses the fact that the world was round or to St. Paul the principles of electricity and the atomic bomb; but left these vast and fascinating secrets of nature as a task for man to solve for himself.

Destruction of belief in verbal inspiration of Bible has weakened religious faith of the ministry

Theology has been satisfactorily readjusted to scientific knowledge and higher criticism, and the Scriptures recognized as embodying divine spiritual revelations; but the destruction of the ancient belief in the verbal inspiration of the entire Bible has without question greatly weakened the religious faith of the ministry itself. All too often the great city churches, at least, are social institutions, concerned with relieving the immediate ills of human society to the exclusion of man's spiritual needs. Lectures in sociology, anthropology, economics, and even in government and politics are frequently heard from the pulpit of such churches, but sermons administering to man's spiritual needs and kindling or strengthening his religious faith are all too rare.

LITERARY TRENDS

The decline of the New England group; reasons

Most of the writers who dominated American literature in the late ante-bellum days survived until well toward the end of the century; and as editors, critics, and literary sages their powerful influence was felt throughout their lives. But their creative genius seems to have expired with the old regime; and for a number of years after the Civil War there is practically a blank in our creative literature. Many explanations have been offered for this sudden deficiency of the New England school: narrow provincialism in an age of expanding nationalism; over-refinement amounting to effeminacy when America was bursting with robustness; and a colonial attitude toward Europe when the American people were preoccupied with themselves and—outside of the South suffering from defeat and reconstruction—self-satisfied to the point of bumptiousness.

Whitman, the spokesman for America and Democracy

What Americans demanded was fiction and poetry dealing with America, not just a pale American reflection of Europe. In fiction the background and setting must be *realistic*, the characters must be *probable* and the plot or story *possible*. In fiction only Herman Melville, who had written *Typee*, *Pierre*, *Moby Dick*, and several other novels before 1850, could have met the new demands of the American people. But Melville, perhaps the greatest novelist America has produced, had been treated so cruelly by his contemporaries that he quit working in 1851 at the age of thirty-two and lived on for forty years in bitter silence until his death in 1891. In poetry, only Walt Whitman, like Melville in many ways and born

in the same year and state—New York—could meet the new age. Whitman, unlike Melville, wrote only trivial poems and stories until he was thirty-six years of age, then he printed with his own hand his first edition of *Leaves of Grass* (1855). This book, like Melville's, was filled with virile, autobiographical, egotistical matter, some of it coarse and obscene. Although Emerson praised *Leaves of Grass*, the Brahmins ignored it or condemned it as they had Melville's work; Whittier, the Puritan, felt so defiled by the book that he burned it. Whitman, however, was tougher than Melville, and he was even at that time absolutely sure of himself as the spokesman of America and Democracy. Nor did he hold in very high esteem the Brahmins who seemed to him to be mere imitators of Europe. "Do you call these genteel little creatures American poets?" he scornfully asked later. "Do you term that perpetual, pistoreen, pastepot work American art . . . ?" Whitman brought out two more editions of *Leaves of Grass* before the Civil War, and seven between 1867 and his death in 1891. Each edition contained new poems, while many of the older poems were revised or omitted, until the final edition bore small resemblance to the first.

*Leaves of
Grass*

Whitman's outlook prior to the Civil War, despite the fact that he was forty years old, was that of an exceedingly strong and healthy young egotist. Yet the love of all Americans, indeed of all mankind, illuminates his poems. His egotism was Messiah-like. He would, he asserted, join the Messiah, whom he called "my comrade," to save the world. Whitman proved his utter sincerity in his desire to help his fellowman when he wrecked his magnificent physique and health, of which he was so proud, by acting as a volunteer nurse in the Federal hospitals during the Civil War. This experience with the wounded and the dying destroyed his egotism, but not his fire and self-confidence, and he ceased to be a poet of the elemental man and became "the poet of the larger life of man." In 1866 Whitman published his *Drum Taps*, containing many poems of the Civil War period, which gives the first glimpses of the new poet of the soul; and in 1870 he published *Passage to India*. Within two years Whitman became a paralytic; but until his death he continued to compose poems of a high order incorporated usually in his revised *Leaves of Grass*.

*The sobering
effect of the
Civil War
on Whitman*

The group of Southern poets who had gathered about Paul Hamilton Hayne—such as Francis O. Ticknor and Henry Timrod—were so broken by the Civil War and its aftermath that they soon died. Even Hayne, who was in dire poverty, was a consumptive. Only one poet of real magnitude emerged from this region—Sidney Lanier—and he too died at the age of thirty-nine of tuberculosis

*Sidney
Lanier*

contracted while in a Federal military prison during the Civil War. Lanier, despite his bitter war experience, was without sectional bitterness—indeed, like Whitman, he had no bitterness in him. Lanier was a musical genius, and was considered by many to be the greatest flute player of his time; it was by means of his flute and the employment of his pen in hack work that he was able to earn a living and hasten his death. His poems were composed during whatever leisure he could find in such a struggle for existence. The result is that much of his work is unfinished. Still there is an element of greatness in some of his poems, the best-known of which are: “Corn,” “The Symphony,” “The Poem of the West,” “The Marshes of Glynn,” “The Song of the Chattahoochee,” and “Sunrise.”

*Emily
Dickinson*

Emily Dickinson, the New England poet, who began writing poems during the period of the Civil War and continued until her death in 1886, might have become a truly great poet had her work been subjected to criticism. As it was she wrote poetry for her own amusement or solace, as one keeps a diary, and it was not until after her death that her poems were published—in violation of her instructions that they should be burned; consequently, it has been difficult to evaluate her work. Still, there are elements of greatness in many of them; and she has exercised a strong posthumous influence upon other writers. One of the most beautiful poems ever written is her short lyric entitled “The Chariot.”

There are dozens of lesser poets during this period between two wars, and there were young poets just beginning their work whose later writings may bring them high rank; but space does not permit further attempts at evaluation.

*Mark Twain
and Bret
Harte “dis-
cover” the
West*

In fiction the period is especially fruitful. The first important phase has been classed as the rediscovery of America, when the South and the West were found to be rich in material for short stories and novels. Samuel Clemens, better known as Mark Twain, and Bret Harte uncovered the treasures of the Far West, and they were followed by other regional, local-color writers.

Bret Harte

At the age of eighteen Harte had settled with his family in California while the country was teeming with the restless and adventurous prospectors, gamblers, outlaws, and all other unusual types of persons; yet for a number of years he was more interested in the stately and romantic old Spanish missions and the Spanish culture of California than in the adventurous life about him. Between 1862 and 1868, however, he began writing stories and poems about life in the mining camp, which he had published in several San Francisco papers with which he was connected. His first western story to attract considerable notice was “M’liss,” published in the *Golden Era* about

1866. This was followed in 1868 by the publication in the *Overland Monthly* of San Francisco of "The Luck of Roaring Camp" and "The Outcasts of Poker Flat." These short stories made him famous; and the *Atlantic Monthly* promptly engaged Harte for a year at \$10,000 to write western stories like "The Luck of Roaring Camp." He soon left California and went back East. After a few years he became a permanent resident of England, where he continued to write fiction and poetry with a western setting. Harte was important as a pioneer in western fiction and was a master in the technique of the short story; but he was not a great artist. He lacked sincerity and understanding of his subject, for actually he hated the West and knew it only as an observer from the outside. He was also a conscious imitator of Charles Dickens, both in his fictional characters and in his brand of humor; and his temporary success was due in no small measure to the fact that Dickens had created his audience.

Samuel Clemens, or Mark Twain, was quite the opposite of Harte. Mark Twain
He was a native of Hannibal, Missouri, where the South and the West met. He knew the old semi-frontier West and South; he knew and loved the Mississippi River and river life, for he was one of the best pilots on that river. In 1861, after a two-weeks' misadventure as a member of a local Confederate military unit, he shook the dust of Missouri from his feet and went to Nevada, where he prospected for a while and then became a correspondent and columnist for the *Virginia City Enterprise*. After two years of journalism in the heart of the silver mining region, he went to San Francisco, where he soon fell in with Bret Harte, who was editor at one time or another of numerous newspapers and one literary journal, the *Overland Monthly*. Harte gave Clemens' work very helpful criticism and taught the uncouth genius a great deal about literary craftsmanship.

In 1867 Clemens, under the name of Mark Twain, republished his western stories in a volume under the title of *The Celebrated Jumping Frog of Calaveras County and Other Sketches*, and he became internationally famous almost overnight. Very soon Mark Twain was sent abroad to write a book on Europe as it appeared to an honest, exceedingly shrewd but none too well educated Westerner. The result was the debunking, satirical *Innocents Abroad* (1869) which was highly amusing but a deadly thrust at the colonial attitude of American literati toward European civilization. Mark Twain's best works, however, always had a western setting—*Roughing It* (1872); *Tom Sawyer* (1876); *Life on the Mississippi* (1882); and *Huckleberry Finn* (1884). His other books are less authentic and inferior. Mark Twain has been classed in the field of humor as a clown; in satire, even lower; and in fiction, lower still. Yet somehow

when all his qualities are added up the whole is greater than the sum of the parts, and he remains the outstanding writer of American literature of the last thirty-odd years of the nineteenth century.

Edward
Eggleston
and the
Midwest

Edward Eggleston began almost simultaneously with Mark Twain and Bret Harte to write local-color fiction about the Mid-west as it was in Indiana. *The Hoosier School Master* (1871) and *The Circuit Rider* (1874) are two of his best novels. They deal with considerable fidelity as to background and character with rural Indiana as Eggleston had known it as a schoolboy and as a young minister.

The South
succeeds the
West as a
land of
romance;
G. W. Cable

The Far West and Middle West had their chief vogue in the 1870's. After that time for more than a decade the South became the newly discovered land of romance and adventure. George Washington Cable of New Orleans was the first of the postwar Southern writers to attract the attention of the Northern publishers and the reading public generally, although John Esten Cooke of Virginia had been turning out a stream of romances since 1854. As early as 1873 Cable had published "Sieur George" in *Scribner's Monthly*, and this was followed by several others. These stories dealing with life in old New Orleans among the French did not receive special attention until published in book form in 1879 as *Old Creole Days*, whereupon they made Cable famous. Then followed other collections of stories and novels such as the *Grandissimes* (1880) and *Madame Delphine* (1881). When Cable moved to Massachusetts, however, his grip on his material was lost and his work became second rate—as has that of most writers who stay away too long from the sources of their material.

Thomas
Nelson Page

Thomas Nelson Page of Virginia was the second Southern writer to hold the stage, and his influence was greater and more lasting than that of Cable because he wrote sympathetically of the life on the ante-bellum plantation, whereas Cable described the exotic life and restricted area of the French creoles of Louisiana. Page first wrote Negro dialect poems; but in 1884 Scribner published his "Marse Chan," a long, short story written in Negro dialect—which they had held back for several years for fear that it would be a failure. It was hailed as a masterpiece. Other stories of a similar nature followed, and in 1887 they were collected and published in book form under the title *In Ole Virginia*. The next year he published the *Two Little Confederates*; but his short stories after that are not of the same high quality as his first ones. He turned to novel writing after a few years and, although his novels are inferior to his short stories, nevertheless, they were widely read. Two of his best known novels are *Red Rock* (1898) and *Gordon Keith* (1903).

Along with Page came a legion of Southern writers who exploited

the rich unworked material of that region. Perhaps the most important after Page to gain national acclaim were Richard Malcolm Johnston and Joel Chandler Harris of Georgia, and Charles Craddock (Mary N. Murphree) of Tennessee. Johnston was over sixty in 1883 when he gained nation-wide attention by the publication of his "Dukesborough Tales" in *Harper's*—stories which he had published years before in the South. For the next fifteen years he wrote folkish short stories and some novels that are very much in the same vein as Eggleston's Indiana novels. Johnston was close to the antebellum school of Southern humorists like A. B. Longstreet, author of *Georgia Scenes*, and George W. Harris, creator of *Sut Lovingood*—indeed he was only eight years younger than Harris. Joel Chandler Harris, the creator of the *Uncle Remus* animal stories and tales of the plain folk of Georgia, was a more significant figure than Johnston. Harris' fame rests upon his sketches of the old-time Negro as embodied in such books as *Uncle Remus, His Songs and His Sayings* (1880) and *Uncle Remus and His Friends* (1892). While Page used the plantation Negro as an accessory and background of his story, Harris made him the principal character. Craddock—who to the surprise of the publishers and the public turned out to be Miss Mary Murphree—was above all a local-color writer whose chief interest was the Southern mountaineers. Some of her more famous novels were *In the Tennessee Mountains* (1884) and the *Prophet of the Smokies* (1885). Of the local-color school but more preoccupied with nature and the physical setting of his stories than Craddock or any of the others was James Lane Allen. Indeed in his three major novels *The Choir Invisible* (1897), *The Reign of Law* (1900), and *The Mettle of the Pasture*, nature in its broader sense becomes the dominating force. In this he is more akin to the English novelist, Thomas Hardy, than to his American contemporaries.

Contemporary in time but not in thought with Clemens, Harte, Page, Cable, Harris, and the other writers mentioned above were Henry James and William Dean Howells. These two writers were sophisticated, self-conscious, urbane stylists, whose writings were described as realistic, but which were real, perhaps only in the outward trappings. They were, like the eighteenth century novelists, concerned chiefly with manners, not action. James, of course, who spent most of his life in London was preoccupied with the psychological analysis of his characters. Yet he had no intimate knowledge of any one except himself; he was merely the close observer of those international characters, rich Americans traveling in Europe, or idle, cultured English people who, like himself, lived in a vacuum. When he analyzed these characters in such books as *The American*

*Other
Southern
writers:
Johnston,
Harris,
Craddock,
and Allen*

*Henry James,
William Dean
Howells*

(1877), *The Europeans* (1878), *Confidence* (1879), and *The Portrait of a Lady* (1881), the egocentric James is only projecting himself into their situation, sometimes, and quite appropriately, with a dress on. Howells, who was a Westerner transplanted to New England, likewise knew the externals, the mannerisms, of his characters better than he did their mental processes. His novels of New England, such as *A Modern Instance* (1882), *A Woman's Reason* (1883), and *The Rise of Silas Lapham* (1885), were, therefore, more concerned with the manners and outward life of the people than with their inner life.

*The romantic
revival*

The end of the century brought three distinct schools of fiction: a revival of romanticism, the beginning of modern realism and even naturalism, and a revival of the humorous short story or sketch. Thomas Nelson Page's *Red Rock* and *Gordon Keith* fall in this romantic revival as do the excellent historical trilogy of Winston Churchill, *Richard Carvel* (1899), *The Crisis* (1901), and *The Crossing* (1904), and Mary Johnston's *Prisoners of Hope* (1898), *To-Have and To Hold* (1900), and *The Long Roll* (1911), to mention only three of the latter's many historical novels.

*Beginning
of modern
realism*

Both the realist and humorous short story schools were influenced by contemporary European writers, especially the French writers, Balzac, Zola, and de Maupassant. Stephen Crane's *Maggie*, *A Girl of the Street* (1892) and the *Red Badge of Courage* (1895) were the work of a young man of great talent who was in advance of his times and who died before realism was acceptable. Frank Norris' *Moran of "The Lady Letty"* (1898), *McTeague* (1899), *A Man's Woman* (1900), *The Octopus* (1901), and *The Pit* (1902) were realistic and brutal stories a bit too rough for the dictators of literary fashion. Theodore Dreiser, dominated by the work of the French school of realists and naturalists, started a "bog fire" with his realistic novel, *Sister Carrie* (1900), which was quickly suppressed by the publishers. Eleven years later he managed to publish *Jennie Gerhardt*, and then followed *The Financier*, *The Titan*, and *The Genius*—all naturalistic and powerful pictures of conditions resulting from the new industrial revolution and the reign of the "robber barons." Dreiser's style was clumsy and difficult, but the total effect of his writing is deeply impressive. His influence on later fiction has been great. Ellen Glasgow in the beginning of her literary career appeared to be another Virginia disciple of Page's, for her first three novels—*The Voice of the People* (1900), *The Battle-ground* (1902), and *The Romance of a Plain Man*—were historical romances. A discriminating reader soon detects a difference, however: he is dealing with a realist,

a truth that is further confirmed by each succeeding novel such as *The Builders* and *Barren Ground*.

Perhaps it is well to close his brief sampling of the literature of the period on the lighter note of the humorous short story, and none was lighter than that of O. Henry (William Sydney Porter). O. Henry's output of short stories was remarkable. He was a skillful and self-conscious craftsman—greatly influenced in this respect by de Maupassant—but fundamentally a jokester; as Fred Lewis Pattie puts it, “a little devil with a bean shooter.” O. Henry's stories were the vogue for a long time. Few persons who read books in the period up to 1920 had failed to read *Cabbages and Kings* (1904), *The Four Million* (1906), and *Options* (1909). Taken in broken doses, like a pun or a spicy joke, they may always be amusing.

*The humorous
short story*

CHAPTER VII

Railroads and Industrial Combinations

MONOPOLISTIC TRENDS ENCOURAGED BY THE REPUBLICAN PARTY

*Paramount
ascendency
of the eco-
nomic system
of the East,
long range
objective of
reconstruction*

IT has been pointed out that Radical reconstruction was national in scope; that it involved, in fact, a social, political, constitutional, and economic change in the entire national structure. The reconstruction of the South, let it be repeated, was certainly not the main objective of the new Radicals who came to dominate the Republican Party during the Grant administrations. The South as a pocket borough was to be used to assure the success of the broader and more permanent features of national reconstruction; and, from a long-time point of view, the chief objective of reconstruction was the establishment of the permanent ascendancy of the financial-commercial-industrial economic system of the Northeast. Humanitarian reform and revenge upon the South appear either as instruments in attaining the economic ends or as secondary and temporary motives. Although reconstruction of the South eventually created a solid Democratic machine rather than Republican and thus failed in the end to attain the chief objective of the Radicals, the Northwest, which had been predominantly Democratic until 1860, was safely Republican by the end of reconstruction, and was filling the role which had been cut out for the South. This was due primarily to the fact that more Union soldiers in proportion to population lived in the West than in any other part of the country. These veterans, regardless of the former political affiliation of themselves or their families, had a strong leaning toward the Republican Party, the party of Grant, Sherman, and Sheridan, bonuses, back pensions, and free homesteads. Foreign immigrants, particularly Germans and Scandinavians, who came in under the auspices of the Republican regime, were secondary factors in the political change of the Northwest.

*The Repub-
lican Party,
the party of
big business*

Although the Republican Party had its origin as a party of idealists and had such leaders as Sumner, Chase, and Henry Wilson, nevertheless, it struck its tap root into the rich industrial-financial soil of the East while its lateral or "brace roots" struck into the hinterland of the West. Thus so strongly built and so firmly

entrenched, there was no sound reason why this party, if wisely managed, should not have enjoyed an unbroken tenure at least until 1912. But its policy of Southern reconstruction, its complacency toward corruption in high office, and its unrestrained use of the spoils system caused a periodic loss of control in Congress and the election of two Democratic Presidents. Despite this occasional loss of power, however, the Republican policy of maintaining the ascendancy of the industrial society over all other economic interests was not seriously interrupted until the Presidency of Theodore Roosevelt. The Republican Party earned the title of "the party of big business," for the small, intelligent group who led the party stood consistently for a policy that not only favored industrial society in general, but the great business organizations in particular. This policy included a high protective tariff, the redemption in gold of Federal bonds sold for depreciated greenbacks, the deflation of currency and credit, the granting of large subsidies in land to railroads and the loan to them of millions of dollars in government bonds, and many other special favors to the large corporate interests.

The rank and file of the Republican Party had little conception of the kind of social and economic system they were fostering. They believed that they were merely championing free, private enterprise, and seemed not at all to realize that they were creating conditions—or actively aiding the process—where a relatively small group of men by the combinations of capital and talent would gain control of the means of production and the bulk of the resources of the United States. Nor was the Democratic Party, rank and file and much of its leadership, any more aware of the true drift of affairs. Accustomed to the idea that a factory or a mine or a store was the private property of an individual, the mass of American people, regardless of party, could see no reason for governmental interference. Long unaware of what was taking place and lacking imagination to evaluate what they saw, when the realization finally dawned upon them that corporations and trusts were becoming more powerful than state or national government, many were possessed with a feeling of utter futility, but most prepared for battle to destroy the great combinations or to bring them under control.

*American
people long
unaware of
the trend of
their economic
system*

THE RAILROADS

The first and most natural of such combinations was that of the railroads. Most of the railroads built during the first two decades of railway construction (1830-50) were short, independent lines planned to serve local needs or to connect navigable rivers and canals. During the late ante-bellum period, however, trunk lines

*Evolution of
the trunk line*

began to emerge which, in a few years, would connect the cities of the Eastern seaboard with all important points to the West as far as the Mississippi River, and there would connect with the great "transcontinental" railroads built to the Pacific after the Civil War. At the same time one or two trunk lines connecting the Great Lakes with the Gulf of Mexico were built. The New York Central, the Pennsylvania, the Baltimore and Ohio, and the Charleston and Memphis were trunk-line roads before 1860, made by the consolidation of small, independent roads. The Erie Railroad and the Illinois Central, connecting with the Mobile and Ohio and offering uninterrupted transportation from Chicago to Mobile, were laid out as trunk lines.

*The New
York Central,
early example*

Perhaps an account of the early history of the New York Central will serve to illustrate the growth of the trunk lines, and of the railway "systems" made up of a network of railroads under the control of one corporation and frequently one man. The early history of this road and the railway system growing out of it is identified with "Commodore" Cornelius Vanderbilt on the one hand, and Daniel Drew on the other.

*The New
York Central
formed by the
purchase of
numerous
short lines*

The New York Central, chartered in 1826 under the optimistic name of the Mohawk and Hudson, began as a little "streak of rust" seventeen miles long extending from Albany to Schenectady. By 1850 ten other independent railroads had been built along the Mohawk Valley so that one could ride by train from Albany on the Hudson to Buffalo on Lake Erie. In 1853, the New York Central Company was chartered and the eleven railroads from Albany to Buffalo formed the trunk, and there were numerous branch lines. In all, the New York Central had five hundred and sixty miles of railroad when it was incorporated. It was, in fact, a railroad "system." Oddly enough, and of great importance in the sequel, it had no rail connection with New York except through the Hudson River Railroad and the New York and Harlem Railroad—both independent lines.

*Cornelius
Vanderbilt
purchases
controlling
interest
in Harlem
Railroad*

In 1862-63 Cornelius Vanderbilt at the age of sixty-nine decided to abandon the steamship business, in which he had made a fortune of about \$11,000,000, and enter the railroad business. He decided he wanted the New York Central; but he moved upon the road by flanking attack. In 1863 he very quietly purchased the controlling interest in the New York and Harlem Railroad, and thus gained possession of one of the two railroad connections that the New York Central had with New York City. The directors and chief stockholders of the New York Central apparently had no idea that the Commodore was moving by stealth on their road intent upon its

capture; and when by twice cornering the New York and Harlem stock he made two successive financial coups at the expense of Daniel Drew and his friends, the New York Central people regarded the affair as an ordinary stock-market operation.

Vanderbilt's next move was to purchase a controlling share of the Hudson River Railroad, the remaining railway link of the New York Central with New York City. Although he could now blockade this road, and hold it at his mercy, the stockholders of the New York Central showed no signs of understanding the Commodore's purpose. Before making his final move to capture the New York Central he had to deal again with "Uncle Daniel" Drew, and members of the New York legislature which Drew virtually owned. Again Vanderbilt made another fortune out of his would-be-despoilers who were selling short the stock in his two railroads. In his words he "busted the whole legislature, and scores of the Honorable members had to go home from Albany without paying their board bills." The Commodore, now in possession of the two railroads that connected the New York Central with New York City, offered to purchase the controlling share of the New York Central, and when the chief stockholders refused to sell he promptly severed connections between his two railroads and the New York Central at the Albany bridge, and refused to receive passenger or freight transfers. The public and the legislature protested, but the old man, totally unaware of any sense of public responsibility involved in railroad ownership, asked angrily: "Can't I do what I want with my own?" The men who owned the bulk of the shares of the Central capitulated in the winter of 1866-67 and permitted Vanderbilt to purchase control. Soon the New York Central and the Hudson River Railroad were incorporated simply as the New York Central and capitalized at \$90,000,000, about half of which was "watered" stock.

The New York Central soon gained access to Chicago by purchasing shares in other lines. When the Commodore died in 1877 he was worth about \$100,000,000, chiefly railroad property; and his son, William Henry, who succeeded him in the control of the New York Central system, practically doubled the fortune. Although the Vanderbilt lines were expanded so that they eventually came to extend more than 13,000 miles, they were kept in excellent repair and even in panic years earned good dividends. But like the other great railroads of their day they corrupted courts and legislatures, exercised a powerful influence in Congress, charged all the traffic would bear, gave rebates, and charged as much for a short haul where there was no competition as for a long haul when competition did exist. More will be said about such practices later.

Vanderbilt's purchase of the Hudson River Railroad enables him to purchase the New York Central

The New York Central prosperous; but guilty of exploiting the public

*The Union
Pacific
charter*

The Union Pacific and the Central Pacific railroads—the first line to the Pacific coast—were planned as trunk lines from the beginning. The construction of these roads was one of the greatest peacetime undertakings in the history of the United States up to this time. Behind this physical show were equally spectacular and completely ruthless financial operations. In 1862 the United States government chartered the Union Pacific Railroad Company. This act and the amending act of 1864 granted the company the right to build from some point on the one hundredth parallel of longitude in Nebraska to the eastern boundary of California. Since the greater portion of the road was to be built through uninhabited, semiarid territory which would contribute no revenue to the railroad, the Federal government offered a substantial bounty. The company was to receive as a loan \$16,000 in government bonds for each mile of track built through level country east of the Rocky Mountains, \$48,000 a mile through the mountains, and \$32,000 in the high plateaus between the ranges. This loan was at first secured by a first mortgage; but the act of 1864 permitted the company to sell its own bonds as a first mortgage. Besides this loan the government granted the Union Pacific twenty sections of land to the mile in alternate blocks on each side of the line, checkerboard fashion. In this way the Union Pacific received 12,000,000 acres of land with all the timber and mineral rights.

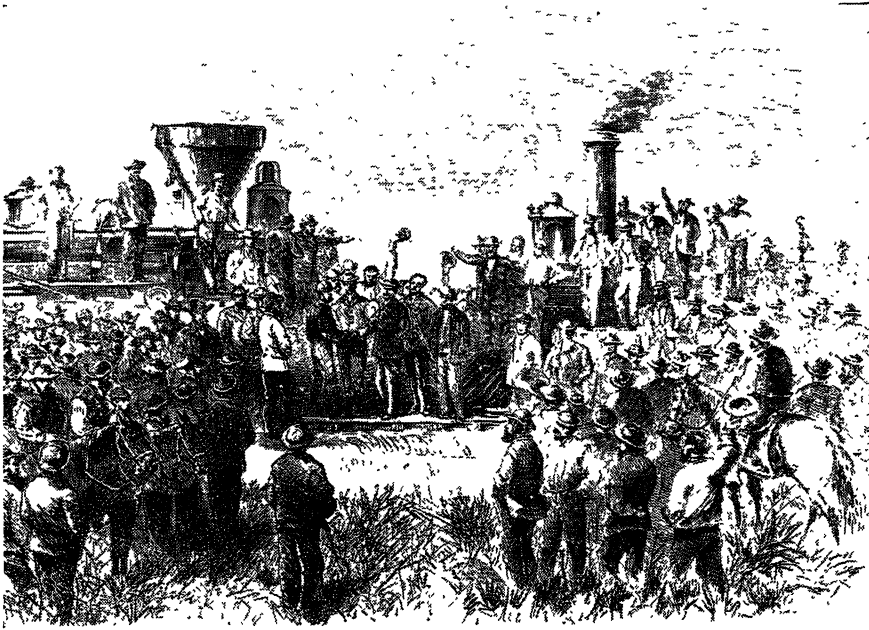
*The charter
of the Central
Pacific*

At the same time the penniless Central Pacific Railroad of California, which had been organized as a California company by Collis P. Huntington, Leland Stanford, Mark Hopkins, and Charles Crocker, was granted a Federal charter similar to that of the Union Pacific. It was authorized to build a line from the Pacific coast at or in the neighborhood of San Francisco through Nevada and eastward to meet the Union Pacific. Huntington is said to have carried \$200,000 in cash to Washington—all that he and Stanford had—which he spent in getting the bill through Congress. When it passed he sent Stanford the message: "We have drawn the elephant," but certainly it was no "white elephant." Eventually the Central Pacific was to receive 9,000,000 acres of land and \$24,000,000 in government bonds.

*The
construction
of the roads,
a spectacular
show*

Some construction was begun on both roads before the close of the Civil War; but it was not until the war had ended that the work really got under way. The building of these two roads as they raced toward each other, bent upon getting as much of the government subsidy as possible, was to the excited public like a continuous football game or horse race. When the roads met near Ogden, Utah, on May 10, 1869, there was great celebration from the President to the

urchin on the street. The deep significance of uniting the Atlantic and Pacific states by rail was fully appreciated. Had this physical union not taken place, the Pacific coast would doubtless have been crowded by Orientals and might have become a separate nation.



(Photograph by Savage & Ottinger, Salt Lake City)

COMPLETION OF THE PACIFIC RAILROAD—MEETING OF LOCOMOTIVES OF THE UNION AND CENTRAL PACIFIC LINES: THE ENGINEERS SHAKE HANDS.

What the public could not know, of course, was that these two roads, thus tying the continent together and strengthening the bonds of union, were being built by two construction companies bent upon looting both the public and the roads they were constructing. The Union Pacific was being built by the Crédit Mobilier, and the Central Pacific by the Credit and Finance Corporation. The Crédit Mobilier, as already observed (pp. 75 ff.) was composed of the "inside" group of stockholders of the Union Pacific, which it absolutely skinned and left saddled with debts under which it struggled for a generation. It will be recalled that the Crédit Mobilier made a profit above the cost of construction of more than \$20,000,000 and left behind a trail of public corruption. The Credit and Finance Corporation that built the Central Pacific was a similar organization, only a tighter one, for Mark Hopkins, Leland Stanford, Collis P.

*The roads
looted by two
construction
companies*

Huntington, and Charles Crocker appear to have been sole owners. They charged the Central Pacific Railroad Company \$79,000,000 in stocks, bonds, and cash for building the road and it is estimated that there was a profit of \$36,000,000. The Central Pacific was thus burdened with a huge debt.

The Central Pacific ring block the entrance into California of other railroads

The Central Pacific ring were bent upon a monopoly of railroad traffic in and from the Pacific slope. First, they purchased the local railroads within the State of California and the most important terminal facilities on the ocean front. Next, they turned to head off all rivals who might build from the East over the plains and mountains to cross California. The Federal government had granted charters for the construction of several other railroads, three of which would cross California when completed: the Southern Pacific, the Texas Pacific, and the Atlantic and Pacific. In 1868 the Central Pacific group secretly purchased the California charter of the Southern Pacific, which granted the right to build within California to meet any eastern road entering the state. The Southern Pacific owners now formed a new construction company, the Western Development Company, which looted all the roads as thoroughly as had the *Crédit Mobilier*. It hurriedly built roads through Southern California to block the Texas Pacific at Yuma, Arizona, where the Colorado River could be bridged. From here the Southern Pacific was rapidly built to El Paso, Texas, where in 1882 it made a junction with the Texas Pacific, which it soon absorbed; and it rushed a line through the mountain pass and across the Colorado at the Needles and blocked the Santa Fé, which was approaching that point. By 1882 it was possible to travel from San Francisco to St. Louis by way of the Southern Pacific.

The elimination of competition by sea

Huntington, Stanford, Hopkins, and Crocker now had a monopoly of land transportation in a vast region. In order to eliminate competition by sea they bought a fleet of steamships whose rates were kept high, and reached satisfactory arrangements—by the payment of large fees—with rival steamship companies like Jay Gould's Pacific Mail for the maintenance of excessive freight rates. With a virtual monopoly throughout the Southwest, the California "quartet" of the Central Pacific and the Southern Pacific railway systems held the population of that part of the country at their mercy. The freight rates were ruinous to the farmers and merchants, and the rebates and special rates granted the Standard Oil Company and other favored groups helped eliminate smaller rivals.

Political control of California and much of the Southwest

In order to insure their monopoly of transportation and thus compel the greater part of the Pacific slope and the Southwest to pay tribute, Huntington and his associates of the Southern Pacific

maintained a virtual dictatorship in California and the neighboring territory. The Southern Pacific controlled the newspapers, the county and city officials, and the choice of governors, Congressmen, Senators, and Federal judges, and generally corrupted and weakened democratic institutions.

In 1864 Congress granted a charter to the Northern Pacific Railroad Company, under which a railroad was to be constructed from some point on Lake Superior north of 45° to the Pacific in the vicinity of Portland, Oregon. Forty alternate sections of public land to each mile of track were granted, which, when the road was completed, would total 47,000,000 acres (more than one and one-half times the area of the state of New York). But no money subsidy was offered and it was not until 1869 that an effective effort was made to construct the railroad. In that year the bold, yet cautious financier of the Civil War, Jay Cooke, aroused by the enthusiastic description of the great Northwest by one of his publicity agents, Samuel Wilkerson, bought the charter. He then undertook to raise more than \$100,000,000 to finance the construction of the road to the Pacific, by a publicity campaign only equaled by his Federal bond sales of Civil War days. Large sums of money were raised, thousands of immigrants were brought into the territory which the railroad would serve, and within three years more than five hundred miles of the main road had been built and put into operation. But the Franco-Prussian War in Europe and the over-building of railroads and speculation helped to bring on the panic of 1873, so that Jay Cooke's banking house and his Northern Pacific Railroad went into bankruptcy.

In 1878, after several years in the hands of a receiver, the company was reorganized under the leadership of Frederick Billings, who raised new capital with which to continue the construction work. Billings was bent upon pushing his road on through the mountain passes into the beautiful and fertile Northwest. Indeed, it had been to tap the boundless riches of the Northwest that Jay Cooke had undertaken the building of the Northern Pacific in 1869. But Henry Villard, who had helped Jay Cooke to bring in German immigrants by spreading over Germany the good news of the rich lands of the Northwest, and who himself had become enamored of the beauty and riches of the new region, had appropriated the Northwest Pacific slope already as his own domain. He, like Huntington and his colleagues of the Southern and Central Pacific roads, had seized the chief passes through the mountains and controlled the river and railway transportation of Oregon and Washington through his Oregon Railroad and Navigation Company. Villard attempted to

The construction of the Northern Pacific begun under Jay Cooke; Cooke's failure

The Northern Pacific taken from Billings by Henry Villard; the road completed

deter Billings, by some kind of traffic agreement, from attempting to carry the Northern Pacific through to the coast, but in 1880 Billings raised \$40,000,000 by the sale of first mortgage bonds to complete the road. However, he reckoned without Villard, who had made such phenomenal success with his Oregon Railroad and Navigation Company that his credit in Wall Street and in Germany was almost unlimited. Villard proposed to take the Northern Pacific away from Billings, and in 1881, with the backing of men of capital who would risk his business judgment on any enterprise, he formed the "blind pool" of \$8,000,000 with which he began quietly purchasing Northern Pacific stock. In a few months he disclosed to his financial backers the purpose of the "blind pool," and their enthusiasm was so great that the pool or syndicate was now transformed into the holding company, the Oregon and Transcontinental Company, and an additional \$20,000,000 raised for the purchase and control of the Northern Pacific. Villard quickly purchased the controlling share of the road, deposed Billings, and made himself president. He then placed the Northern Pacific and the Oregon Railroad and Navigation Company under the control of the Oregon and Transcontinental of which he was head, and in 1883 completed the third transcontinental system with more than 2500 miles of main lines.

*Villard
loses the
Northern
Pacific;
Morgan and
Hill gain
control*

This system had a monopoly of the greater part of the territory of Oregon and Washington, and a considerable area to the east. The country was rapidly filling with sturdy North Europeans, who found the country and climate enough like their old homes to continue without interruption the same type of farm economy—grain and livestock growing—to which they had been accustomed in Europe. Villard pressed his monopolistic advantages and charged excessive rates. The railroad thus situated should have earned rich dividends in a few years; but Villard had recklessly paid dividends out of borrowed capital in advance of earnings in order to obtain credit, and had bankrupted the road. Then presently James J. Hill began pushing his Great Northern through the same territory east of the mountains, and by keeping his rates lower deprived the Northern Pacific of freight upon which Villard and the large stockholders had counted. In 1893 the Northern Pacific system went into the hands of receivers, and Villard, as Billings and Cooke before him, went into the discard. In 1898 J. P. Morgan undertook the reorganization of the Northern Pacific, and soon James J. Hill of the Great Northern bought a controlling share so that the Northern Pacific eventually became part of the Hill system of which the Great Northern was the core.

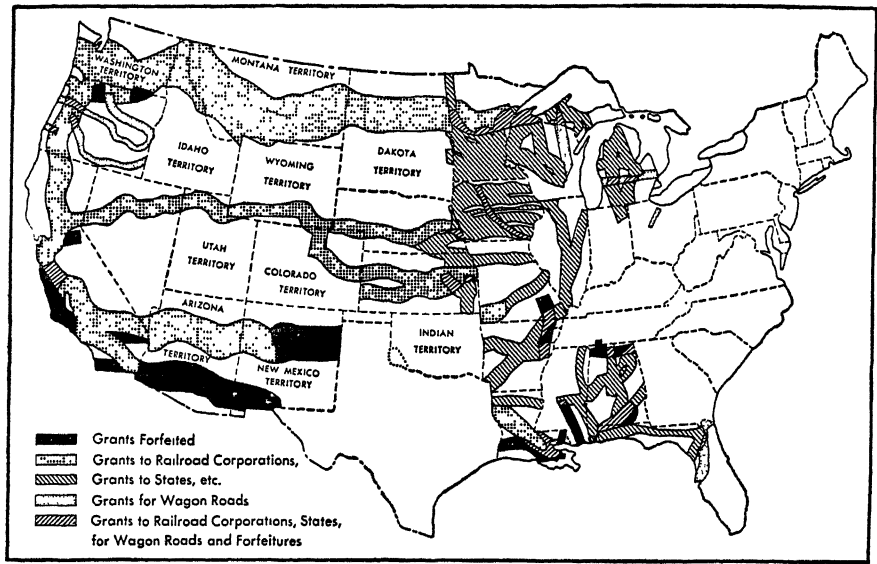
James J. Hill, more than any other man of his day, was interested in railroads as a business rather than as a stock market speculation. Coming from Ontario to St. Paul as a young man of eighteen, he had seen St. Paul and Minneapolis grow from small villages to towns, and had witnessed the tide of immigrants sweeping into the rich wheat lands of the Northwest. As a coal and wood dealer, he supplied fuel for the steamboats on the Mississippi and the locomotives of the St. Paul and Pacific. This road, which Hill had watched with a strange fascination, had begun in the 'sixties as a ten-mile stretch between St. Paul and Minneapolis, and by 1873, when it went into bankruptcy in the general panic, it had extended 200 miles to the west and had a connection to the north with the Northern Pacific. He conceived of this bankrupt road as the nucleus of a great system, and he talked about it to all who would listen until they regarded him as a good-natured, garrulous crank.

*James J. Hill
and the Great
Northern*

Then, in 1878, Hill and two Canadians, Donald A. Smith, later Lord Strathcona, and Smith's cousin, George Stephen, later Lord Mount Stephen, bought the "two streaks of rust" running out into the grasshopper-infested wheat lands. In 1879 the railroad was reorganized as the St. Paul, Minneapolis and Manitoba, and under the leadership of Hill, construction on an ambitious scale was soon under way. Hill's theory was that it was cheaper to go around a mountain than to go over it or build a tunnel; and the low cost of building his road, compared with that of Villard, enabled him to charge lower freight rates than his rivals. In 1889 the name of the company was changed to that of the Great Northern, and in 1893 it was opened to the Pacific coast by using a Northern Pacific line. Hill had been buying into the Northern Pacific even before Villard had been deposed, and soon, with the aid of J. P. Morgan, he gained control of this road as well as the Chicago, Burlington and Quincy. Thus he, like the Huntington-Stanford group in California and the Southwest, came to have a monopoly of railway transportation in the upper Northwest by the end of the century.

During the period of reconstruction the Pennsylvania Railroad Company gained control of the principal railroads in the Southeast, which it managed through the Southern Railway Securities Company. But the Southern railway system thus formed by the Pennsylvania Railroad Company did not prosper because of the situation in the South during reconstruction, and the Pennsylvania sold its interests, and the roads resumed their separate existence for a few years. Soon Calvin Brice and his friends purchased the principal roads in the South that had been held by the Pennsylvania, and organized the Richmond and West Point Terminal Railway and

*The Southern
railroads*



FEDERAL LAND GRANTS IN AID OF RAILROAD AND WAGON-ROAD
CONSTRUCTION, 1828-1871.

Warehouse Company as a holding company to control and manage these roads and purchase and construct others. By 1892 there were thus brought directly and indirectly under control of this company about 8500 miles of railroad.

*J. P. Morgan's
reorganization
and control
of Southern
railroads*

The panic of 1893 threw the entire system into bankruptcy; but the next year J. P. Morgan, who had already gained a world-wide reputation as a reorganizer of broken-down railroads, came to the rescue. He gained control of the holdings of the Richmond and West Point Terminal Railway and Warehouse Company, and formed the Southern Railway Company as a holding company. Millions of dollars were expended in rebuilding the old lines and replacing the rolling stock with new equipment, useless lines were cut out, debts were scaled (at the expense of the bondholders), stockholders were assessed, and much old stock was written off as worthless. Many additional lines were acquired, and numerous connections with railroads north of the Ohio and Potomac were arranged so that Morgan's Southern Railway system, comprising 9000 miles of railroads, ranked among the larger railroad systems of the country. Just as in the other systems, Morgan's railroads of the South eliminated competition whenever possible and assumed the aspect of a monopoly by the end of the nineteenth century.

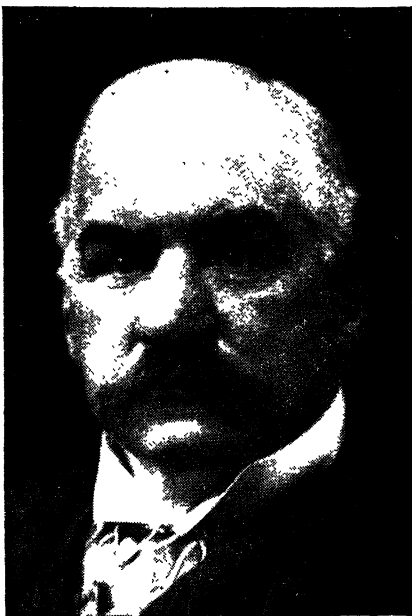
Briefly, it may be said, the railroads developed from small, inde-

pendent local roads to trunk lines, from trunk lines into regional systems, becoming at certain stages a monopoly. Within this area there was no competition, as in California during the Huntington-Stanford regime or in the far Northwest under Villard and later under Hill; and freight and passenger rates were arbitrary and frequently ruinous to the farmers, cattlemen, and business men. Where the systems came into competition, as for example, between the seven railway systems running from the seaboard into Chicago, the railroads entered a cutthroat competition, which was one of the important factors in bankrupting most of the roads one or more times by 1900.

THE GREAT INDUSTRIAL AND BUSINESS COMBINATIONS

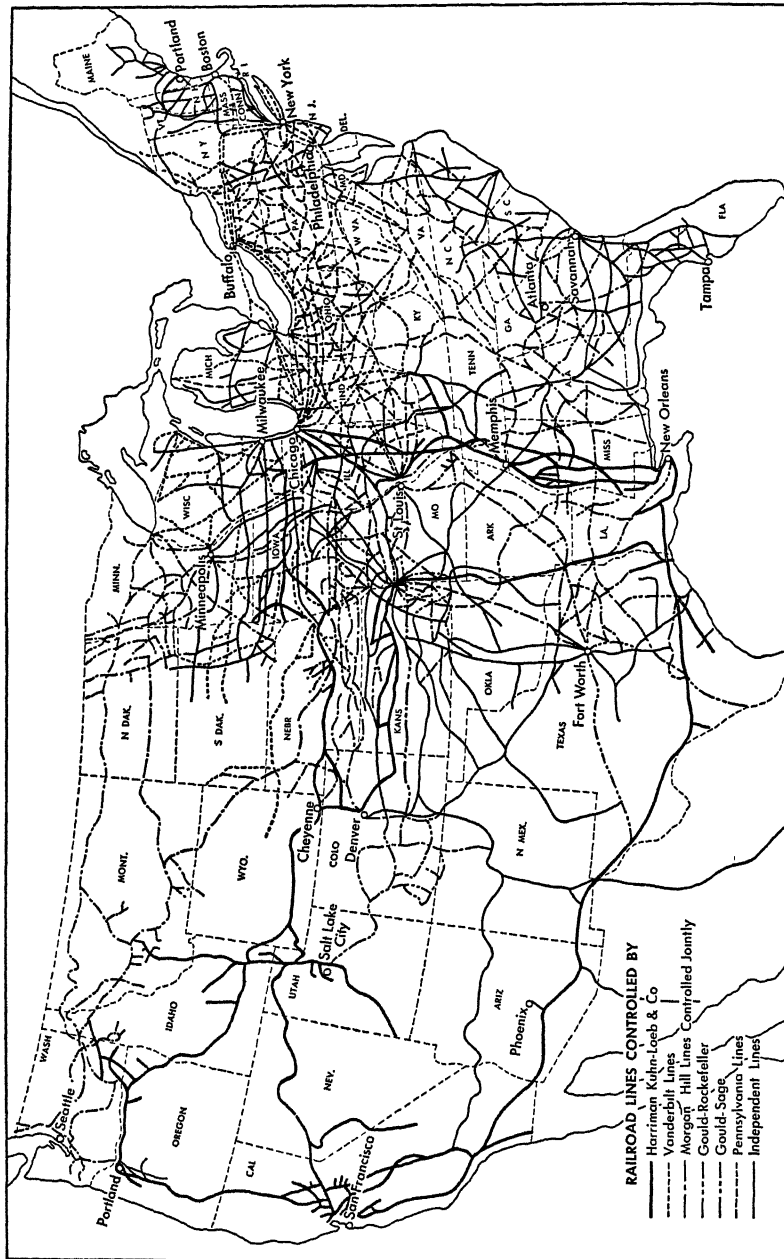
With transportation and communication thus becoming nationalized and with the natural resources of the country scarcely touched at the end of the Civil War, other vast business enterprises aiming at monopoly rapidly emerged. The purposes of such monopolies and large business organizations—usually spoken of loosely as trusts—were aimed at obtaining the greatest returns on capital investments. Competition, as the word monopoly implies, was to be eliminated. This enabled the corporation or trust to fix the price of the goods it sold to the consumer, and the price of the raw material that it purchased from the producers. Labor unions were crushed by corporations with plants scattered over the country by the simple expedient of closing down plants where trouble was threatened and producing in those plants where labor was not organized. Government was influenced, intimidated, and too often “bought” by these great business organizations.

The first great monopoly was the Standard Oil Company which was developed under the ruthless genius of John D. Rockefeller and his able and equally ruthless partners. During the Civil War, Cleveland, Ohio, located on Lake Erie not far from the oil fields of northwest Pennsylvania, became the oil refining center of the coun-



Courtesy of Brown Brothers
J. P. MORGAN.

*Rockefeller
enters the oil
business*



THE RAILROADS OF THE UNITED STATES SHOWING FIVE GREAT GROUPS OF ROADS EACH CONTROLLED BY A SINGLE INTEREST (1904).

try. Rockefeller, studying this development from the vantage point of a commission house on the docks, from whence much of the refined oil was shipped East by steamers, concluded soon after the Civil War that the petroleum business offered the surest and largest field for financial gain. With a large bank account, accumulated during his four years as a commission merchant, and a partner, Samuel Andrews, who had great mechanical genius and experience in refining oil, Rockefeller entered the oil business in 1866 at the age of twenty-three, and soon had in operation several excellent refineries.

From the first, Rockefeller set out to establish a monopoly of oil. His first move in this direction was to reduce the cost of production so that he might make a larger profit or undersell his competitors. He did this by the elimination of the middleman. He established plants to make his staves, barrels, and acids, bought steamers and warehouses, built

storage tanks, and processed and sold at a profit the by-products, such as naphtha, paraffin, and heavy grease. Moreover, the Rockefeller firm always maintained large cash accounts so that it was never dependent on a bank to help it over crises, but on the contrary was always able to bring up its cash reserves like a good general does his reserve divisions, to throw into a critical position and win the battle.

In 1870 the firm brought in several large capitalists in Cleveland and New York, and incorporated as the Standard Oil Company of Ohio. The new organization then invited its rivals in Cleveland to come in with the Standard Oil Company. Those who refused to come in were then invited to sell at Standard's own price, usually less than half the cost of the plant. Those who hesitated soon discovered that the Standard Oil Company was receiving a rebate both on its own oil and that of its rivals, for Rockefeller had been able to obtain a contract with every road running to the seaboard to grant the Standard a rebate of freight rates on both the oil shipped by his company and those of his rivals.



Courtesy of Frank Ehrenjord

JOHN D. ROCKEFELLER.

The elimination of the middleman and maintenance of large cash reserves, his first principles

The Standard Oil Company obtains rebates on freight

*The Standard
gets control
of pipe
lines, tank
cars, and
storage
facilities*

Soon the Standard Oil owned all the crude oil pipe lines running to railheads and most of the tank cars, the terminals in the East, and the storage tanks. With these facilities, and by "persuading" the railroads not to deliver oil to the rival refineries in the East, the Standard laid down at times a blockade around those refineries. By such methods the Standard destroyed or brought within its own folds the important rivals in New York, Baltimore, Pittsburgh, Titusville, and Philadelphia.

*Ruthless
marketing
procedure*

The Standard's marketing procedure also aided in eliminating the independent refinery and the independent oil dealer. Here the Standard Oil Company was utterly ruthless as to independent dealer and consumer. The country was divided into districts over which agents or supervisors were placed, and local merchants were given the agencies for the sale of oil, grease, and kerosene. The district agents were instructed to "sell all the oil that is sold in your district." To carry out these instructions, railroad employees were bribed or coerced into permitting the representatives of the Standard to see their records so as to be informed of all oil shipped in by competitors. Then the Standard agents were instructed to sell at a price so low as to prevent the sale of the rival's oil. When competition was thus eliminated in such a district, the price of Standard products was raised to recoup all losses. By this widespread practice most independent oil refineries that Rockefeller had not been able to purchase were destroyed, and by 1880 the Standard had about ninety per cent of all refineries under its control.

*The Standard
Oil Trust
formed*

With so many refineries, pipe lines, and terminals, scattered throughout several Eastern States, the Standard Oil Company of Ohio, in order to coordinate all its parts and effect a more centralized control, formed in 1882 the famous Standard Oil Trust, with headquarters in New York, as a central agency to manage the business. The stock of the Standard Oil Company and the subsidiary organizations was surrendered to this trust, which consisted of nine trustees with Rockefeller at the head, and trust certificates were issued to stockholders of the old company in the proportion of twenty such certificates for each share of Standard stock.

*The Standard
invests in
banks,
railroads,
and mines*

The Standard grew and prospered greatly, so greatly that it had to look elsewhere than to the oil business to utilize its great and rapidly increasing accumulation of cash. Through William Rockefeller (the brother of John D.), who had been the treasurer of the Standard, an alliance was made with the City Bank of New York—now the National City Bank—whose head was James Stillman, a financial genius. Many millions of dollars were eventually invested in Union Pacific stock, until the Standard and its allied interests

held about one third of it. This brought an alliance between the Rockefeller group and Edward H. Harriman, who owned the controlling share of the Illinois Central and the Union Pacific, and who presently purchased control of the Southern Pacific System, and temporary control of the Northern Pacific. Turning northward the Standard Oil money was poured into the Chicago, Milwaukee and St. Paul Railroad, and into New England railroads. But this did not take care of the profits of Standard Oil, and Henry Rogers, the vice-president, sought an outlet in copper mining. He organized the Amalgamated Copper Company, which controlled the Anaconda Copper Company of Butte, Montana, and other properties. Rockefeller acquired much of the great Mesaba iron ore range in Minnesota, which he finally sold to the United States Steel Corporation and for which he received in payment stock of this corporation, thereby becoming one of the largest stockholders of that concern. Soon the Rockefeller group became the owners of the Colorado Fuel and Iron Company, one of the few remaining large steel concerns after the United States Steel Corporation was organized (pp. 160 ff.). Finally street railways, gas, and electric companies, and other banks besides the City Bank were brought under the dominance of the Standard Oil Company.

The result of this tremendous concentration of capital has been that the Standard Oil Company—the trust was dissolved by action of the Ohio Supreme Court in 1899—became not only the largest oil company in the world, but the greatest railroad power and one of the greatest banking powers. So colossal had this institution become by the end of the nineteenth century that men usually had in mind the Standard Oil Company when they spoke of the “Money Power.” Only two other men could mobilize anything like an equal amount of money for any particular undertaking—Andrew Carnegie and J. P. Morgan, whose careers were climaxed in the formation of the United States Steel Corporation.

Carnegie's life is one of America's great success stories, which has little of the sordidness in it so characteristic of many of the other great captains of industry and masters of capital. His family, driven from their Scottish village by want and hunger, came to Allegheny, Pennsylvania (1848), where for a while they were barely able to survive. The father worked in a cotton mill at a small wage, and Andrew labored from morning until night in the factory as bobbin boy for a dollar and twenty cents a week, while his mother took in washing.

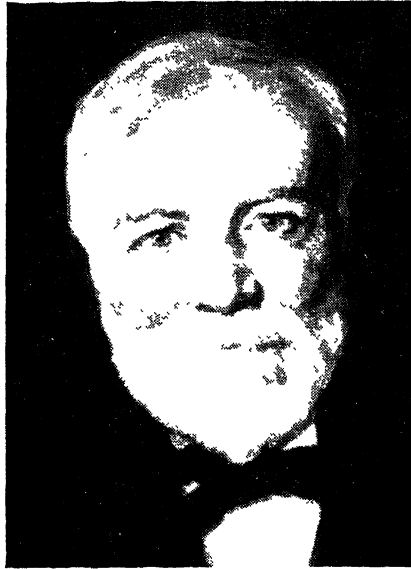
Soon Carnegie became a telegraph messenger boy at three dollars a week. In his idle time he learned telegraphy, and one day on hear-

The Standard Oil Company, a great railroad and banking organization

Carnegie's childhood in an impoverished family

From telegraph messenger to superintendent of the Pennsylvania Railroad

Carnegie becomes an iron maker for the railroads



(Courtesy of Carnegie Corporation of New York)

ANDREW CARNEGIE.

Carnegie becomes the greatest steel manufacturer in the world

ing an important message come over the wires, he seized the instruments, took the message, and replied. Instead of discharging him the company gave him the position of operator at six dollars a week.

Presently Carnegie gained the attention of Thomas A. Scott, general superintendent of the Pennsylvania Railroad at Pittsburgh, who made him a telegraph operator for his railroad and then his private secretary. After a few years service in this capacity Carnegie succeeded Scott as superintendent, where, if he did not already know the railroad business thoroughly, he now learned it.

One thing of great value that he learned about railroads was that the need of iron for rails and bridges was almost without limit, and that with the great trunk lines of the East and the transcontinentals of the West being constructed, the need would become greater. So in 1864 he purchased a share in the Iron City Forge Com-

pany. At about the same time he organized the Keystone Bridge Company and shrewdly induced J. Edgar Thompson, Thomas Scott, and other important officials and stockholders of the Pennsylvania Railroad to help finance the business. The Iron City Forge Company, of course, sold iron beams and rails to the Keystone Bridge Company, which in turn built the bridges and supplied the new rails for the Pennsylvania Railroad. Soon Carnegie bought the controlling share of the business and was a multimillionaire before the panic of 1873.

In the meantime the Kelley and the Bessemer open-hearth process of making steel had made the manufacture of that product cheap, and railroads and bridge builders began to use it. After a trip to England, where he had seen large-scale steel production by the Bessemer process, Carnegie decided that the future of the iron business lay in steel making. Immediately Carnegie built a large plant near Pittsburgh which he shrewdly named the J. Edgar Thompson works in honor of the president of the Pennsylvania Railroad. Soon he established the Homestead works and other plants, joined with H. C. Frick, who had acquired huge measures of coal

from which coke was made for the manufacture of steel, purchased large holdings in the Mesaba ore fields of Minnesota, and jointly with Rockefeller maintained a fleet on the Great Lakes by which the ore was transported to the East. With these tremendous resources, and protected by a high tariff and railroad rebates, Carnegie became the greatest steel manufacturer in the world. In 1900 the Carnegie Company declared a dividend of \$40,000,000.

The king of steel makers and the master of a colossal fortune, Carnegie wanted to retire and devote his life to philanthropy and the fellowship of his friends. It was at this time that his path and that of J. P. Morgan came together for a short while.

The paths of Carnegie and Morgan meet

John Pierpont Morgan was one of the few men to acquire massive fortunes during this period who was not born and reared in poverty. His father was the junior partner in the international banking firm of George Peabody and Company of London, and later head of this company. In 1857 young John Pierpont Morgan, just completing his education at the University of Göttingen, was sent back to New York as treasurer of the New York house that represented the George Peabody Company of London. In 1864 J. P. Morgan organized the banking firm of Morgan and Dabney, which handled the American business of his father's London firm as well as doing an independent business. In 1871 J. P. Morgan became a partner with Anthony Drexel of Philadelphia in a new firm of Drexel and Morgan.

The early career of J. P. Morgan

The next important development in one of the most colossal banking firms on the globe was the refinancing and reorganization of the railroads. Morgan first aided William H. Vanderbilt in disposing of 250,000 shares in the Pennsylvania. The shares were sold secretly in England to prevent a stock-market crash; but in a few months the story was told and Morgan was looked upon as a wizard of railroad finance. Once he had begun dealing in railroad finance there was no stopping, for over-extended mileage, watered stock, cutthroat competition, and speculation had brought most of the roads to the verge of bankruptcy by 1885. The British and continental investors pressed Morgan to save them from the wreck, and in 1885 he began the refinancing and reorganization of several badly managed roads. When, therefore, the bulk of the railroads went into bankruptcy during the panic of 1893 Morgan intervened to save the investors, especially the foreign bondholders. His reorganization of the Southern Railway System has been noted (p. 152). He reorganized the Northern Pacific, the Baltimore and Ohio, the Atchison, Topeka and Santa Fé, the Erie, and many more. By 1898 he practically owned the Southern System, controlled the Erie, the

Morgan as reorganizer of railroads

*Morgan and
Elbert Gary
organize the
Federal Steel
Company*

Reading, the Northern Pacific, the Chesapeake and Ohio, and had a powerful voice in the affairs of others.

Since his railroad operations frequently involved the rebuilding and re-equipment of the roads, Morgan was brought in intimate contact with the iron and steel manufacturers, men whose ideas about competition in steel were identical with his concerning railroad competition: they desired an "integrated" or self-sufficient industry, stopping just short of a monopoly so as to avoid public outcry and governmental interference. The leading exponent of this idea of a vast, integrated industry was Judge Elbert Gary, counsel for the Illinois Steel Company. Morgan readily accepted Gary's idea, and he and Gary promptly organized the Federal Steel Company, capitalized at \$200,000,000, as a holding company (in 1898) with Elbert Gary as president. The Illinois Steel Company and the Minnesota Iron Company formed the nucleus of this new organization about which other steel corporations were gathered. But many important steel interests including those of Carnegie were unwilling to sell to the Federal Steel Company except on what Morgan considered exorbitant terms, and the Federal Steel Company, as big and rich as it was, found that it was not well integrated. Gary then urged Morgan to buy Carnegie out, but Morgan at first did not see the necessity nor did he believe that even he could raise enough cash to make the purchase. Instead, it was decided to cut in on Carnegie's market, which would compel him to sell more cheaply.

*The organiza-
tion of the
United States
Steel
Corporation*

The only effect of this method of dealing with Carnegie was that it caused him to make up his mind to wreck the Gary-Morgan corporation or compel them to buy him out at his own price. In preparation for the greatest piece of salesmanship in history, "the world's greatest traveling salesman" proceeded as if he intended to remain in business forever. He prepared to build his own railroads to the Great Lakes and to the Atlantic; he made ready for the construction of a huge ore-carrying fleet, and he prepared to build the biggest and most modern steel plants to duplicate and stifle Federal Steel in all important fields. The financiers and steel men in and out of the Federal Steel Company now rushed to Morgan to persuade him to buy out Carnegie. Morgan reluctantly inquired what price Carnegie would take, and shortly Charles Schwab, Carnegie's partner and protégé, brought Morgan a slip of paper containing figures which added up to about \$500,000,000 in stock and first mortgage bonds of the proposed United States Steel Corporation to be formed out of the Carnegie and Federal corporations. Morgan grimly accepted the offer and Carnegie retired as the second richest man in the world and the largest stockholder and bondholder in the United

States Steel Corporation itself. The United States Steel Corporation then purchased other independent steel plants, and acquired Rockefeller's Mesaba ore fields and ore fleet for \$98,000,000 in United States Steel stock.

Thus in 1901 at least seventy per cent of the steel business was brought under control of the United States Steel Corporation, which was soon capitalized at one and a half billion dollars. The United States Steel was now indeed integrated. It owned its own coal and iron mines, its ore fleet, and was allied through Morgan and Rockefeller with every important railway system in the country. The Standard Oil, the railroads, the house of Morgan, and the United States Steel Corporation thus began the twentieth century so closely interlocked by mutual ownership of one another's stock, or by certain powerful individuals owning large shares in all and having a voice in the control of all, that they began to seem as if they were one vast trust.

While these combinations were going on, scores of other great business combinations were being made, many of which interlocked with the foregoing groups. In the period from 1897 to 1904 the capitalization of million dollar corporations increased from less than \$2,000,000,000 to more than \$20,000,000,000. By 1907 the railroads alone were capitalized at \$12,000,000,000 and the capitalization of other corporations had increased proportionately. Wealth and resources of the country were rapidly passing into the hands of small groups of men, and along with economic control went political power.

The community of interest and control between the great corporations

Other great business combinations

CHAPTER VIII

The Counter-Organization of Labor

LABOR UNIONS

THE mass of people, unaware that any change was taking place in the nature of property, clung to their philosophy of *laissez faire* until they found that their own property rights and political freedom were being jeopardized by the great corporate organizations. Then they began to bestir themselves to place a curb upon such corporations. These efforts, continuing to the present time, have taken the form of counter-organization and legal restraints and regulations. Such action will be noted in each period as it occurred. The counter-organizations of labor and of agriculture were the chief restraints placed upon the great organizations of capital until after 1900.

The early unions and the reason for their weakness

As observed previously (Vol. I, pp. 535 ff.), there had been labor organizations prior to the Civil War, a few of which had been of national extent. These were craft or trade unions such as the Iron Molders' International Union, the Typographical Union, the National Union of Machinists and Blacksmiths, and the Brotherhood of the Footboard (locomotive engineers). In addition there were local trade unions in all important cities. The objective of these unions from the beginning had been to obtain better bargains by collective action than could be obtained by individual dealings with the employers. Strikes and boycotts had been used with indifferent results. The common law against conspiracy in restraint of trade had been successfully invoked on occasion or the court injunction used, and the labor movement had attained little headway. But the weakness of labor organizations was partially inherent in the American situation rather than in the law and the use of injunctions: the vast public domain seemed to beckon the discontented and the door of opportunity seemed wide open to all energetic and ambitious people, with the result that labor did not regard itself as a permanent class, but as individuals who had reached only a particular rung on the economic ladder, which they would eventually scale. A day laborer today and an employer tomorrow constituted a familiar pattern of social and economic evolution in the United States prior to 1865.

The rapid growth of cities resulting from the development of

industry, and the influx of millions of European immigrants, whose families since the dawn of history had belonged to the laboring class without hope of ever rising out of this class, did much to develop a class-conscious feeling in America. The development of the great corporations, which in turn formed themselves into employer associations to deal with labor by the use of the black list and agreements on wage scales and cuts, also fostered the growth of class consciousness among the laborers. That is, more and more of those who worked with their hands for their bread and shelter came to feel that the door of opportunity was, if not closed, only slightly ajar, and that they and their descendants were permanently consigned to the role of laborers. Under such circumstances the laboring classes would inevitably strive to give dignity and security to labor.

At the very time that John D. Rockefeller was organizing the company of Rockefeller and Andrews (1866), W. H. Sylvis, head of the Iron Molders' International Union, together with the heads of other national trade unions and reformers, organized the National Labor Union, a loosely built federation of local, city, and national trade unions. The National Labor Union met annually until 1872, and, while agitating for the eight-hour day with some success in Federal and state employment, it became more and more engrossed in the greenback movement and in producers' co-operatives. It proposed that the entire Civil War debt of about \$2,000,000,000 in bonds be made convertible into greenbacks which could be borrowed at about three per cent instead of the ten or twelve per cent then charged. With money thus made plentiful and cheap, the National Labor Union would have the working classes organize producers' and consumers' co-operatives. Thus in the end they would manufacture for themselves, work for themselves, and sell for themselves. Although credit was never made available and cheap to the farmer and laborer until sixty-six years later, several of the trade unions established successful producers' co-operatives. The Iron Molders' International Union and the Order of St. Crispin (the shoemakers' union), for example, had many successful co-operative manufacturing plants. But managers of these plants appointed by the stockholders, who were also the employees, found themselves in competition with non-co-operative producers, and immediately adopted the same policy toward labor. The result was that strikes and conflicts between employer and employees continued. One of the strikers—a member of the molders' union—in the Cooperative Foundry Company of Rochester owned \$7000 worth of stock.

The National Labor Union, which had always been greatly concerned with legislation, met in 1872 as a political convention, nomi-

*The develop-
ment of class
consciousness*

*The organi-
zation and
program of
the National
Labor Union*

The National Labor Union becomes a political party and destroys itself

nated Judge David Davis of the United States Supreme Court for President, and adopted a platform similar in many ways to the Liberal Republican platform and the Greenback Party platform of 1876. It advocated a larger volume of paper money and easy credit, homesteads only for real settlers on the public domain, a low tariff, civil service reform, railroad regulation, and an eight-hour day. But the national trade unions that formed the body of the National Labor Union were not interested in such a broad program of reform, nor in allying with a new political party, and withdrew from the union so that it ceased to exist.

Two labor groups show vitality during the depression

Then came the panic of 1873 followed by six years of depression, and the organized labor movement seriously disintegrated. Only two groups showed vitality during the depression, the Noble Order of the Knights of Labor—commonly called the Knights of Labor—and the New York group of the International Union of Cigar Makers.

Knights of Labor, a secret order, founded by Uriah Stephens

The Knights of Labor was founded in 1869 by Uriah S. Stephens, a tailor, who had been trained for the ministry. It was a secret order, and its membership was kept secret to prevent reprisals and black listing by the employers' associations. In the words of the ritual, drawn up presumably by Stephens, "open and public associations having failed after a struggle of centuries to protect or advance the interest of labor, we have lawfully constituted this Assembly" a secret organization, and in doing so "we but imitate the example of capital" which "has its combinations, and, whether intended or not, it crushes the manly hopes of labor and tramples poor humanity into the dust."

Abolition of secrecy under Powderly's leadership; program of the Order

In 1878 under the leadership of the machinist, Terence V. Powderly, twice mayor of Scranton, Pennsylvania, the secrecy of the Order was abolished. This was due to the fear created in the public mind by the secret murder organization of the Molly Maguires in the anthracite coal fields of Pennsylvania, the terrifying railway strikes of 1877, and the violent agitation of secret societies of German socialists and anarchists. At the same time the fundamental objectives of the order were more clearly set forth in a document drawn up by Powderly. First was visualized the one big union idea. Skilled and unskilled laborers were all to be brought in. Looking ahead and observing the ever narrowing division of labor resulting from technological development, the leaders, particularly Powderly, realized that the time was approaching when little or no skill would be required to operate a machine and that most labor would be unskilled or semi-skilled. The second objective was the education of the workers and the public to the condition of labor. This would aid in bringing about labor legislation and in collective action by the

workers. To the end of obtaining and disseminating knowledge of "the true condition of the producing masses" the Order demanded the establishment by state and national governments of bureaus of statistics. The third great objective was to be the establishment of productive and distributive co-operatives. That is, the Order proposed as an ultimate aim to manufacture and sell its own products. When the Order had so grown as to include the bulk of the people of the country, it would constitute the market, and thus the people would all be working for themselves. To obtain its ends, the Knights, and especially Powderly, preferred arbitration to strikes. Indeed, Powderly so opposed the principle of the strike that he conducted himself on occasion so that he was wrongfully accused of treachery to labor.



Courtesy of Brown Brothers
TERRENCE POWDERLY, 1880.

Despite opposition to the strike, the Knights of Labor became embroiled in the most violent strikes of the nineteenth century: the railway strikes of 1877, 1884-86, and the meat packers' and other great strikes of 1886-87. It was during the strikes of 1885 that the Knights of Labor achieved its greatest reputation. Its apparent strength in gaining its demands and its insistence on the one big union, in which skilled and unskilled labor participated equally, brought in hundreds of thousands of new members from the ranks of the common laborers. In 1886 there were about 700,000 members, although the general impression was that the number was 5,000,000. After 1886 the membership and prestige of the Knights declined rapidly; in fact there was a mass desertion of the Order. Since the top leaders of the Knights actually opposed the principal trade or craft unions and insisted that the skilled and the unskilled stand shoulder to shoulder in collective action, support of the trade unions weakened; and when the Order began to attack the trade unions the latter retaliated and withdrew all support. The unskilled and semiskilled laborers, the bulk of whom were Europeans who had immigrated since the Civil War, soon deserted the Knights of Labor because the Order, instead of stressing class consciousness and the class struggle

*The growth
and decline of
the Knights*

trade union of the Federation was completely independent, with all rights of discipline over its members and with a free hand in dealing with the employers. The Federation always stood behind the demands of such trade unions, most of which were joining the American Federation of Labor, and aided by urging the co-operation and sympathy of the other member unions, by guaranteeing to each union a certain jurisdiction, and by protecting it from encroachment by rival unions.

The American Federation of Labor has from the beginning been nonpolitical, American in its approval of private enterprise, and generally conservative. Yet it was of foreign, socialistic, and political origin. Samuel Gompers and Adolph Strasser—the latter, president of the Cigar Makers International Union—the two most important of the founders, were born in England and Germany, respectively. Gompers was well versed in Marxian socialism, and Strasser at first was a socialist. Other important men who were influential with the founders if not in the founding were members of the Black International or the anarchistic offshoot of the First International of Karl Marx. Yet Gompers, Strasser, and P. J. McGuire, long-time secretary-treasurer of the American Federation of Labor, and the other leaders of the new union, with full knowledge of Marxian socialism, rejected it. The Marxians favored trade unions, with emphasis on class consciousness as an instrument to destroy capitalism and realize socialism. Gompers and his colleagues viewed trade unionism with its class consciousness as an instrument with which to fight the capitalists not for the purpose of destroying them but for the purpose of obtaining all the benefits possible from capitalism, such as higher wages, shorter hours, and better working conditions.

Several powerful national trade unions did not affiliate with the Federation, although they had a tendency to co-operate with it. Among such unions were the railway brotherhoods—Locomotive Engineers, Railway Conductors, Locomotive Firemen—and the Amalgamated Association of Iron and Steel Workers.

STRIKES AND LOCKOUTS

Hayes had been in office only a few months when he was confronted with a succession of strikes which, in the excitement of the times, seemed to threaten the existence of the social order. The most violent of these was the series of railroad strikes that broke out in July, 1877. The railroads suffered more than any other interests from the widespread and long-drawn-out depression after the panic of 1873, for with the stagnation of business came a corresponding reduction in freight and passenger traffic. At the same time one of the periodic

The Federation conservative, though founded in part upon socialistic doctrine

Non-affiliating trade unions

Conditions and policy of railroads that led to strikes

rate wars broke out between the trunk lines extending from Chicago and St. Louis to the Atlantic seaboard. The principal lines were the Erie, the New York Central, the Baltimore and Ohio, and the Pennsylvania. So low were the rates between the competing points that at one time the freight charge on a carload of cattle from Chicago to New York was only one dollar. The roads, as already observed, had been loaded down with bonded indebtedness and their stock watered by Gould, Vanderbilt, Scott, and other railway magnates and gamblers. The result was a failure to earn an income sufficient to meet the interest on bonds and pay dividends. In the spring of 1877 the chief lines agreed to uniform rates and a pooling arrangement by which all west-bound freight was divided between them. The railroad managers, however, were unwilling to wait for the beneficial effects of the pool and rate agreement, and attempted to regain some of their losses by a ten per cent reduction of the wages of all employees. The Baltimore and Ohio had already reduced wages four times within seven years, and other roads had cut wages a number of times. When it is realized that, because of irregularity of work, engineers frequently made no more than fifty dollars a month and firemen and brakemen even less, a ten per cent cut placed the earnings of the trainmen on a starvation level. But this cut was not the end of the trouble for the employees. Double headers were put on with the result that many trainmen were laid off.

*Strikes and
riots on the
Baltimore
and Ohio*

On July 16 the ten per cent reduction went into effect on the Baltimore and Ohio, and on the following day the firemen at Martinsburg, West Virginia, abandoned their engines. Soon other trainmen and workmen abandoned their trains and shops. The tracks were blocked and freight trains were not permitted to pass. During the night the strike spread over most of the line, and the strikers were joined by thousands of destitute men who had had no regular employment since 1873. Rioting, burning, and plundering began. The governor of West Virginia called out the militia, but the violence had become so widespread that the militia was unable to cope with it, whereupon President Hayes was asked to send in troops. Rioters were soon dispersed in Martinsburg; but at Cumberland, Maryland, on the Baltimore and Ohio, serious trouble developed. On July 20 the governor of Maryland called out the fifth and sixth militia regiments of Baltimore, and ordered the fifth to proceed to Cumberland. At the Camden station in Baltimore a great mob of the unemployed, strikers, and toughs attacked the fifth regiment with pistols and stones. The sixth regiment went to the rescue only to be attacked in turn, whereupon it fired into the

crowd, killing nine and wounding seventeen others, three of whom died of their wounds. This only infuriated the rioters, who overwhelmed the sixth and scattered the men. The mob at the Camden station besieged the militia there and set fire to the railroad buildings. On the same night the governor called on President Hayes for troops, and on July 22, General W. S. Hancock arrived with United States regulars. Order was restored, but for a while the strike continued and few trains were run.

The most violent phase of the railroad strike occurred in Pittsburgh on the Pennsylvania Railroad. The people of Pittsburgh were filled with resentment against the high-handed discriminations of the Pennsylvania Railroad and, when the mayor was called on to keep order, he refused the railroad any aid, but looked on as the strikers, tramps, and a generally hysterical mob tore up and burned or wrecked railroad cars, engines, and buildings. The militia at Pittsburgh was called out; but it fraternized with the mob, whereupon a large contingent of militia from Philadelphia was brought in. Soon a conflict between them and the rioters took place and several civilians were killed and wounded. The militia was finally driven to one of the railroad houses and besieged. It barely escaped destruction as the infuriated mob set fire to the building. That night Pittsburgh suffered a reign of terror from looting and burning. From three to five million dollars worth of damage was done, chiefly to the railroad property. The United States troops were soon brought in and order was restored. The striking trainmen and railroad employees had little to do with the violence and destruction of property, which was the work of an irresponsible and enraged mass of the unemployed and of vicious elements from the underworld; but they received full blame for it.

Strikes and riots occurred all through the East and as far west as the Missouri River. Within a short while state militia and Federal troops dispersed the rioters, and under their protection "strike breakers" were brought in to break the strike, whereupon the strikers, seeing their places given to others, flocked back to their work at reduced pay.

Although the strike failed, the discontent of the laborers grew apace and merged with that of the hopeless farmers into the greenback movement. In a few months after the strike, representatives of the farmer and labor organizations met at Toledo and formed the Greenback Labor Party (Ch. XIII), which cast more than a million votes in the elections of 1878 and sent fifteen Greenback Labor members to Congress. But just as this movement was getting

The most violent phase of the strike on the Pennsylvania Railroad

Western railroads involved

The Greenback Labor Party, an alliance between labor groups and farmers

well under way, the depression came to an end and the resumption act went into force on January 1, 1879, which temporarily ended the greenback movement.

The violence accompanying the railroad strikes alienated public sympathy to a considerable degree. Even labor unions began to question the wisdom of strikes, especially the Knights of Labor (pp. 165 ff.) under the leadership of Terence V. Powderly. With the ending of the short-lived prosperity in the early 'eighties, however, an era of strikes began, in which at first the Knights of Labor and later the American Federation of Labor took a leading part. From 1883 to 1900 more than 20,000 strikes and lockouts occurred involving at least 6,000,000 employees. Over half of these strikes were wholly or partly successful.

*The
telegraphers
strike*

The first important strike that came after the four years of prosperity was the telegraphers' strike. On June 19, 1883, the Telegraphers Union, which had recently affiliated with the Knights of Labor, declared a strike against all commercial telegraph companies in the country, chief among which was the Western Union, under the control of the hated Jay Gould. The telegraphers' demands were reasonable: one day's rest in seven, an eight-hour day, and a seven-hour night shift, with a fifteen per cent wage increase. But after a month the strike failed. The keymen in the union were black-listed so that no telegraph company would employ them, and the others were permitted to return to their jobs. The strike, although a failure as such, enhanced the reputation of the Knights of Labor and served to increase the membership of the Order and to win considerable public sympathy for the labor movement.

*Failure of
strikes during
the depression
of 1884-85*

From 1884 to 1885 the severe depression with its reduced wages and increased unemployment brought widespread strikes in protest against the reduction of wages and for the recognition of the unions as bargaining agents. Most of them failed to obtain the demands of the strikers. They did, however, give rise to a new weapon that proved effective later—the boycott, which the Knights of Labor used widely.

*Successful
strikes on
the Gould
lines in 1885*

In 1885 business conditions began to improve, but wages did not show a corresponding rise; in fact, there were numerous reductions. The result was a series of strikes. Two of the Gould railroads—the Wabash and the Missouri, Kansas and Texas—reduced the wages of the shopmen and other employees ten per cent. The shopmen on the Wabash struck on February 27, 1885, and those on the Missouri, Kansas and Texas struck on March 9; and soon the strikers were joined by the employees of a third Gould road, the Missouri Pacific. These strikes were supported by the railway brotherhoods, that is,

the firemen, brakemen, flagmen, conductors, and engineers, which accounts for their quick success. Wages were restored and the strikers were given back their jobs with little or no apparent use of the black list. Six months later, however, the Wabash, then in the hands of the receiver, greatly reduced the number of shopmen at Moberly, Missouri, and the men let out were members of the Knights of Labor. This was using the black list with a vengeance, in violation of the settlement earlier in the year. A strike was immediately called, and a boycott declared in the handling of all the rolling stock of the Wabash. This would have affected more or less 20,000 miles of railway. Gould held a conference with Powderly and agreed to reinstate the men of the Knights of Labor who had been locked out. The receiver, of course, complied with Gould's demands, and the Knights were successful in their second strike.

The result of the success of this strike was to heighten the prestige of the Order of the Knights of Labor and to swell its ranks from 100,000 to 700,000 in a few months (p. 165). It further had its effect on Congress, for that body enacted the anti-contract labor law, which forbade the importation of immigrants under a labor contract—a favorite method of the corporation to recruit cheap labor in Europe.

Alarmed at the growing size and power of the Knights of Labor revealed in the strikes of 1885 and at the unity of action of the unskilled workmen, the employers' associations of the railroads and other corporations set out to break the labor organizations.

The settlement of the strikes on the Gould railway system in 1885 had guaranteed that the roads would not discriminate against the Knights of Labor, but the management commenced a campaign of petty annoyances and discriminations which kept the employees irritated and resentful. Finally the management of Gould's Texas and Pacific Road discharged a foreman, a member of the Knights of Labor, from a car shop at Marshall, Texas, and on March 1, 1886, a strike on the entire road was called. The Knights, who had been seeking recognition of the Order as a bargaining agent on the Gould lines and a minimum wage of \$1.50 a day for unskilled labor, welcomed the occasion as justification for a strike. On March 6 the strike spread to the other lines of the Gould system, involving about 5000 miles of railway and 9000 employees, which included virtually all the shopmen, yardmen, and track maintenance crews. This strike, like the great railway strike of 1877, was accompanied by violence and widespread destruction of property despite all that Powderly could do to prevent it and to bring about peaceful arbitration. As in the strike of 1877, the Knights were less violent and destructive to prop-

*Prestige of
Knights of
Labor gained
by successful
strikes*

*Employers'
associations*

*The strikes
on the Gould
lines in 1886;
their failure*

erty than were the rowdy elements in St. Louis and other cities. But they were given full blame, partly because of the violent and uncompromising attitude of their local leader in the Southwest, Martin Irons. The railroad brotherhoods of firemen, brakemen, conductors, and engineers took no part in the strike, but on the contrary were hostile, and this was doubtless the principal cause of its failure in about two months.

*Strikes
for the
eight-hour
day*

The strikes on the Gould system had scarcely come to an end before a widespread series of strikes was called for the eight-hour work day. These strikes were chiefly the work of the trade unionists, but, although they were opposed by the national officers of the Knights of Labor, the rank and file of the latter Order joined in the movement.

*The anarchists
and the
Haymarket
riot*

The cause of labor was soon gravely injured by the violent conduct of the more radical elements of labor. The Black International, or socialist-anarchists, numbering about 6000 in the United States—most of whom were recent emigrants from central and eastern Europe—had its largest local organization in Chicago. On May 3rd at a strikers' meeting held near the McCormick Harvester Works, which was being operated by "scabs," an anarchist made an incendiary speech urging the use of violence against both the strike breakers and the McCormick property. While this meeting was in progress the strike breakers began to leave the building to go home, and were violently assailed by the angry crowd with bricks, bottles, and clubs. The police rushed to the defense of the workmen under attack and, upon being pelted with brickbats, fired into the crowd and injured several, four of whom were reported to have died. Immediately the anarchists called a meeting for the next evening (May 4) "to denounce the latest atrocious act of the police." The workingmen were urged "to arm themselves and appear in full force." The type of arms especially advocated was the bomb. "One man with a dynamite bomb is equal to a regiment of militia," one pound of such "good stuff beats a bushel of ballots all hollow." Under the leadership of men giving such advice a large crowd gathered in Haymarket Square, where several members of the Black International addressed them in incendiary speeches. One English anarchist, Samuel Fielden, said: "you have nothing more to do with law, except to lay hands on it and throttle it until it makes its last kick." "Kill it, stab it." Hearing such violent advice being given to the excited crowd, the police captain ordered the crowd to disperse. Immediately one of the anarchists threw a dynamite bomb among the police and others fired pistols into their ranks. Police officer M. J. Degan was killed and sixty-seven others were wounded. The police then rallied and firing

their pistols charged and scattered the mob, a large number of whom were killed and injured.

Eight anarchists were arrested and tried for their lives. Seven were sentenced to death, of whom four were hanged; one died by his own hand; two had their sentences commuted to life imprisonment but were later pardoned by Governor John P. Altgeld; and one was given fifteen years in the penitentiary. Although these men and all their fellow anarchists advocated just such use of dynamite as had resulted in the death of the policeman and the wounding of many others, nevertheless the evidence on which they were convicted failed to prove that they had any connection with the attack upon the police. That is, in the heat and excitement of the moment, these men, six of whom were Germans, were sentenced to die more for holding a dangerous opinion than for putting the opinion into practice.

*Eight
anarchists
sentenced*

The public did not directly blame the Knights of Labor, the American Federation of Labor, or the trade unions for the Haymarket riots; still there can be no doubt that the cause of labor lost for a while much of the public support which it had gained in recent years. Because of its share in other violent strikes, the Knights of Labor suffered most from the Haymarket riot. For the time being, however, about 200,000 workmen over the country were granted the eight-hour day. Soon, the employers' associations began to take advantage of the public reaction and of the return of hard times, and withdrew the concessions made in 1885-86. In October and November (1886) the Chicago employers forced their employees back upon the ten-hour day schedule by lockouts and use of "scab" labor, and in the first part of 1887 the coal handlers and longshoremen of New Jersey and New York City lost their strike against a wage reduction. By the first of January, 1887, most of the wage increases and the eight-hour day programs had been abolished.

*Labor suffers
setback; public
opinion, hard
times, and
employers'
associations
responsible*

There was, however, as a result of improved economic conditions, a favorable turn to the cause of labor during the next five years. The building trades in particular, affiliates of the American Federation of Labor, were successful in securing an eight-hour work day. The Amalgamated Association of Iron and Steel Workers, the strongest trade union in existence, obtained a favorable contract with the Carnegie Brothers and Company—shortly changed to the Carnegie Steel Company—in 1889, despite the bitter hostility of the new chairman of the Company, H. C. Frick, who had demanded that the union be dissolved.

*Labor
conditions
improve
during the
period 1887-92*

The attitude of Frick was well known among the workmen, and in 1892, when the three-year contract was about to terminate, the representatives of the Amalgamated Association of Iron and Steel

*Frick refuses
to renew the
contract with
the steel
workers'
union*

Workers presented their proposed new contract with great misgivings. In effect they were asking for a continuation of the terms of the old contract. Soon Frick countered with a proposed contract which involved the reduction of the rate of pay for piece work from \$25.00 a ton to \$22.00. Frick argued that such a reduction in the scale of pay was justified by the introduction of machinery which enabled men to turn out more work and thus earn more. After several conferences in which there was no agreement, Frick raised the offer to \$23.00 and the union agreed to accept \$24.00—a cut of one dollar. Frick was bent upon breaking the power of the union, and he issued an ultimatum that unless an agreement could be reached by June 29 the company would no longer recognize the union but would treat the men as individuals.

*The Home-
stead strike;
Frick breaks
the union*

While negotiations were still in progress, Frick arranged to have the Pinkerton Detective Agency send 300 armed guards; he built a high fence around the Steel Mill at the Homestead Works, and prepared to introduce nonunion men or "scabs" to take the places of those who might strike. The union called a strike on June 29, and on July 1 Frick closed the Homestead Works and thus met the strike with a lockout. In the early morning of July 6 two barges loaded to the brim with Pinkerton's men were towed up the Monongahela River to the Homestead Works; but the workmen and sympathetic citizens greeted the barges with rifles, dynamite, two cannon, blazing oil, and natural gas. Very soon the Pinkerton guards displayed white flags, only to be met with the cry of "no quarter." In the afternoon, after ten had been killed and sixty wounded, the detectives were permitted to surrender. But only after being chased through town and batted about with sticks, bottles, and iron pipes, were they permitted to board a train and leave town. Immediately the Carnegie Steel Company asked the governor of Pennsylvania for military protection and the governor called out the entire National Guard of the state, numbering 8000. Protected by this large force, Frick reopened the plant with nonunion labor and with those of the union who were willing to resume work. In a few months the treasury of the union was empty and many of the members had given up their cards and returned as nonunion laborers. On November 20 the strike was officially called off, and most of those who had stuck it out returned to their old jobs as nonunion men. There were strikes in the other Carnegie plants, and the men there likewise returned without their union cards.

Frick thus broke the union of iron and steel workers. That this had been his main objective from the first is shown by his message to Carnegie, who was in Scotland at the time. "Our victory is now

complete," he cabled. "Do not think we will ever have any serious labor trouble again." In a letter to Carnegie he confided that, although the strike had cost \$2,000,000, the company would realize sixteen per cent profit on the invested capital. Most important, however, he said, "we had to teach our employees a lesson, and we have taught them one they will never forget."

The complete success of the Carnegie Steel Company in breaking up the union was due in part to the alienation of public sympathy by the attempted assassination of Frick at the hands of Alexander Berkman, a Russian anarchist. Mainly, however, it was the result of the overwhelming power and resources of a typically modern corporation of which the Carnegie Steel Company was one of the strongest. Not for more than two score years would steel and iron workmen again be able to organize effectively as a bargaining agent.

The panic of 1893 and the prolonged depression that succeeded it gave rise to numerous labor disturbances similar to those in 1877 and in 1885-87. The most widespread and violent strike comparable to the railroad strike of 1877 was the Pullman strike of 1894. George M. Pullman, head of the Pullman Palace Car Company, had built the model company town of Pullman in the suburbs of Chicago, where houses, stores, church buildings, the theater, park—all—belonged to his company. It was the prototype of hundreds of cotton mill villages and industrial villages existing at the present time throughout the South, which grew up out of the necessity of housing the employees near their work and for the purpose of exercising a paternalistic relationship with them. In 1894 the Pullman Company, having lost much of its business because of the panic and depression, and desirous of saving intact the huge profits of 1893 gained from the World Fair traffic, discharged or laid off one third of the men and cut the wages of the remainder about twenty per cent. But the rent and the price of goods sold by the company store were not reduced, nor were the salaries of the officers of the company. When a committee, representing about 4000 of the Pullman employees, members of the American Railway Union, protested against wage reductions, the company discharged several of them. A strike was called, and on May 11 most of the employees walked out. Pullman immediately turned the others out.

The American Railway Union, comprising 150,000 railway employees, immediately appointed a committee to negotiate with Pullman, but the latter refused to see them or to arbitrate the differences. The American Railway Union had been organized by Eugene V. Debs, treasurer of the Brotherhood of Locomotive Firemen, for the purpose of bringing all railway employees into one big union.

*Chief reasons
for his success:
The great
power of the
modern
corporation*

*Strike and
lockout at
the Pullman
Company*

*The American
Railway
Union
precipitates
widespread
railroad
strikes*

It was similar in this respect to the Knights of Labor and the later C. I. O. When Pullman refused to deal directly with this union or to submit to an arbitration at the hands of disinterested groups, the American Railway Union came to the aid of the half-starving strikers with relief money; and on June 26 Debs ordered a boycott of Pullman cars on all railroads centering in Chicago. This boycott began by a switchman cutting out a Palace car and leaving it standing on side tracks. The switchman was discharged, whereupon the other switchmen in Chicago struck, and the train crews followed suit. Soon passenger and freight service was virtually paralyzed from Chicago to the Pacific.

*The use of
Federal
troops*

The General Managers' Association, representing the twenty-four railroads, contended that there was widespread violence, and appealed to President Cleveland to send in Federal troops to put down the disorder and prevent the obstruction of the mails. The railroads thus virtually ignored Governor John P. Altgeld of Illinois since he was known to sympathize with the strikers. Nor had it been forgotten that he had pardoned some of the Chicago anarchists involved in the Haymarket riot. The President was doubtful of his power under the Constitution to send in Federal troops to put "down domestic violence," since the Constitution plainly stated that he could not do so except "on application of the Legislature, or of the Executive (when the Legislature cannot be convened). . . ." But Cleveland's Attorney General, Richard Olney, convinced Cleveland that Chicago and the country to the west were in the grip of a revolution. He urged the President to send in troops to end this violence on the tenuous grounds that the United States mail and interstate commerce were being obstructed. Olney was a railroad lawyer, and had connections with the Chicago, Burlington and Quincy Railroad, which was involved in the strike, and he obtained his information from railroad attorneys.

Cleveland accepted his version of the situation. On July 2 Olney appointed a railroad lawyer as a special prosecutor with orders to obtain injunctions against Debs and other union officials, prohibiting them from taking part in the strike. Then on July 4 the President placed a large force of soldiers in the city. It appears that, although there had been some disorder prior to this, actually it had not been serious, and that Altgeld was prepared to deal with it. The presence of the Federal troops seems to have set off the most violent phase of the strike, now joined by anarchists, tramps, and those stranded from the World's Fair, and a dozen or so were killed and many injured. Altgeld protested against the sending in of Federal troops without the request of the governor or legislature, and accused

Cleveland of violating a fundamental principle of the Constitution. But Cleveland stood his ground, saying that he had the right and duty to protect the mails. He is reported to have said that "if it took every dollar in the Treasury and every soldier in the United States army to deliver a postal card in Chicago, that postal card should be delivered."

Debs and several other labor leaders had not only been enjoined on July 2 by the Federal court at Chicago against further activities in connection with the strike, but on July 8 they had been arrested—although let out on bail—on the charge of conspiracy to obstruct the mails. On July 12 Debs, in defiance of the injunction, urged a group of labor leaders to undertake a general strike, whereupon he together with six others was hailed before the judge and sentenced to six months in jail for contempt of court. The United States Circuit Court for the northern district of Illinois based the right to issue the injunction against Debs on the Sherman Anti-Trust Law (Ch. XII), and the United States Supreme Court upheld the injunction on the grounds that the Federal government had the right to prevent interference with the transportation of the mails and interstate commerce.

*The use of
injunctions
to break
the strike*

Needless to say by the use of Federal troops and court injunctions the strike was broken and so was the American Railway Union. As for Debs, he came out of jail a bitter, implacable radical. He and many other labor and farm leaders were now convinced that there was an unholy alliance between big business and the government.

The Homestead and the Pullman strikes were only two extreme examples of a series of strikes that occurred throughout the country during the depression. The western Federation of Mines instituted several violent strikes in Colorado, Montana, and Idaho during the 'nineties; and the United Mine Workers struck successfully in 1897 and 1900. With the exception of the strike of the anthracite coal miners in 1902, which will be discussed later (Ch. XX), the period from 1900 to 1914 was relatively free of major labor troubles.

CHAPTER IX

Western and Southern Backgrounds of Agrarian Discontent

THE industrial workers led a submarginal existence during the period under discussion, but they were probably better off than the American farmers. Indeed the economic well-being of those engaged in agriculture declined almost steadily from 1865 to near the end of the century. This decline occasionally ceased and even reversed itself slightly and the optimistic tillers of the soil forgot their ills; but most of the time the farmers were in distress, and during the last decade of the century they were desperate and many were ready for a revolution. After 1900 conditions improved somewhat.

*Farmers of
East suffer
less than those
of South
and West*

The agriculturists everywhere shared more or less in this gloomy lot. But the farmers of the industrial East suffered less as a group or as individuals because of their nearness to the great urban centers where there was always a fair market for their truck, fruits, dairy products, livestock, poultry, and staple crops. Furthermore, the possessors of the industrial and financial wealth which had accumulated in that section, although unwillingly enough, helped to bear the expense of maintaining social, cultural, and religious institutions and the cost of government. It was the farmers of the predominantly agricultural West and South who received such little rewards for their labor and who at times seemed to be penalized for their hard work. It is primarily, then, with the South and West that we are concerned here.

THE WEST

*Old Midwest
more pros-
perous than
Trans-
Mississippi
West*

The states of the Old Midwest—that is, those lying between the Mississippi, the Ohio, the Great Lakes, and the Appalachian mountains—were still predominantly agricultural, but their nearness to such urban centers as Chicago, Cleveland, Cincinnati, and Pittsburgh, and their well-developed network of railroads made diversified agriculture, truck farming, and dairying profitable at times, and relieved them to some degree of the great transportation costs which bore so disastrously upon the Trans-Mississippi West. As

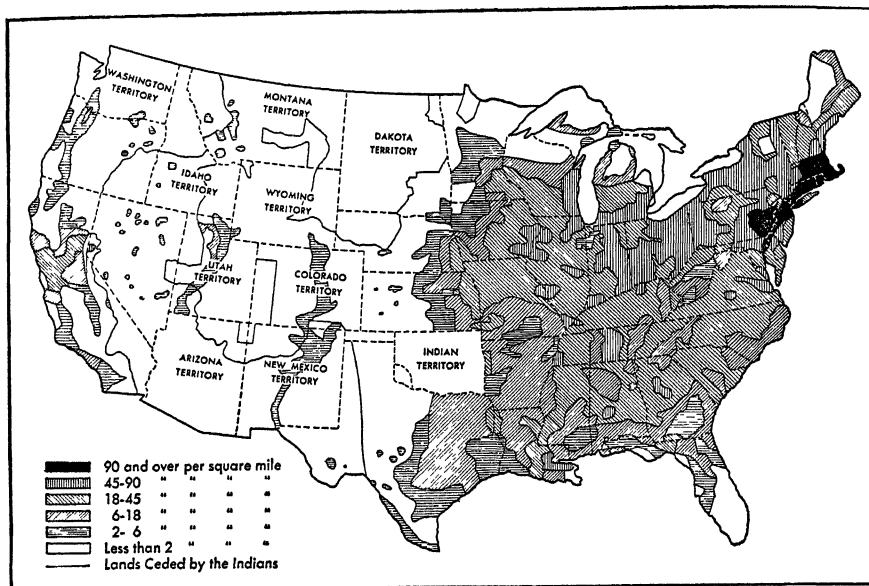
depressed as the economic life of the farmers in this region was, it was prosperous compared with that of the people in the states of the Great Plains and the mountains of the Trans-Mississippi.

This Trans-Mississippi West consisted of two settled strips—one along the Pacific coast and one along the Mississippi River—and a vast region, a thousand or more miles wide, lying in between, composed of mountains and high plains considered unfit for white habitation and called the Great American Desert. On the Pacific the states of Oregon and California had been admitted before the Civil War and Nevada during the war. The settled strip across the Mississippi was made up of one tier of states, Minnesota, Iowa, Missouri, Arkansas, adjacent to the river, and the beginning of a second tier, Texas and Kansas, lying to the west and partly within the so-called desert. The settling of the Great Plains and mountain frontier, "the Middle Border," required about thirty years; indeed, the entire Trans-Mississippi West, excluding Texas, Louisiana, and Arkansas, was settled in less than fifty years compared with the period of two hundred years for the region east of the Mississippi. The factors that speeded up the process of settlement of the "Last Frontier" were: the discovery of vast gold and silver deposits in the mountains, which caused hundreds of thousands of daring spirits to brave the desert, the Indians, and the wild beasts; the building of the trans-continental railroads (pp. 146 ff.), which carried the immigrants in and their produce and cattle out; the use of the army to crush the Indians and force them from the best lands and settle them in reservations; the favorable land laws which enabled the farmers to acquire large holdings; the development of barbed wire with which the farmers' fields could be protected from the range cattle; the liberal extension of credit by the Eastern capitalists; the use of mechanized equipment; and finally the widespread use of the wind-mill which pumped a steady stream of water from the deep wells which the settlers dug or bored.

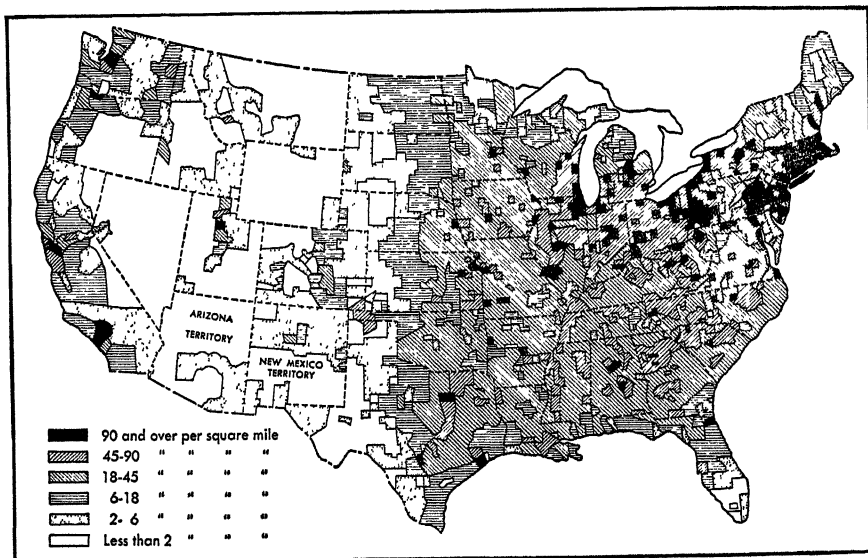
By 1860 the prospectors for gold and silver had begun to invade the Great American Desert. The discovery of loose gold nuggets in the California streams flowing from the mountains naturally led to the conclusion that there was more gold in these mountains, and the prospectors were soon pushing up into the high Sierras and on eastward. In 1858 gold was discovered in western Utah just a few miles from the border of California. The next summer further important discoveries were made both of gold and silver, the most noted being the Comstock lode in western Utah, which yielded over \$300,000,000 in twenty-five years and more than \$1,000,000,000 in gold and silver up to the present. Thousands of miners rushed into

The Trans-Mississippi West; the causes of its rapid settlement

The discovery of gold and silver in the Southwest; Nevada, Colorado, and Arizona organized



POPULATION DENSITY, LINE OF INDIAN CESSIONS, 1870.



POPULATION DENSITY, 1910.

this high desert country and cities sprang up overnight. Among the better known was Virginia City, whose population at one time exceeded 35,000 but which later dwindled to a mere village. At the time that the gold and silver rush was taking place into the Comstock region, which in 1861 was made into the territory and in 1864 the State of Nevada, men were swarming into the Pikes Peak country to mine gold and silver. By 1860 at least 100,000 men had moved in and soon Leadville, Boulder, Denver, Colorado Springs, and Pueblo were large towns, and in 1861 these communities were formed into the territory of Colorado. But the free gold soon gave out and those miners who had come in their covered wagons with the sign, "Pikes Peak or bust," and with no other tools than a wash pan, a pick, and a shovel, turned their wagons back toward Kansas and Missouri with the words added, "busted, by gosh." However, many stayed on and worked in the mines for the wealthy mine owners who had installed machinery for processing the quartz in which the gold was found. Large deposits of silver were soon discovered, and in 1876 Colorado, being sufficiently populous and the Republicans needing two more Senators and more Presidential electors, was admitted as a state. In 1862 deserters from Colonel James H. Carleton's California volunteers, who had been dispatched to the relief of the Union troops in New Mexico, discovered large quantities of gold nuggets in the western part of that territory and a boom immediately followed. The following year the territory of Arizona was created from the western portion of New Mexico.

Almost at the same time the gold seekers moved into the Northwest and made rich strikes. In 1860 prospectors discovered gold near the confluence of the Snake and Clearwater Rivers in what is now Idaho, and the next year the fortune hunters swarming into that region created the town of Lewistown. Soon other strikes were made and such towns as Boise and Florence mushroomed. By 1862 prospectors were making gold strikes on the eastern slopes of the Rockies in what is now the State of Montana. Bannock City, Alder Gulch (the latter yielding \$25,000,000 of gold in three years), Virginia City, and Helena became the centers of rich mining regions. The lusty, tough, mining population suddenly thrust into this far-off, Indian-infested region demanded some kind of government, and Congress quickly responded. In 1863 Idaho was created out of the territories of Washington, Dakota, and Nebraska; in 1864 Montana was formed by cutting a slice from northeastern Idaho; and in 1868 Wyoming was formed from southeastern Idaho. The last important discovery of gold was in Dakota in 1874, during General George Custer's expedition into the Black Hills. The eastern part of Dakota

*Gold strikes
in the
Northwest
and the
creation
of more
territories*

had been settled in the late fifties by agricultural immigrants from Minnesota and further east, and a territorial government had been organized in 1861. But the Black Hills were hundreds of miles across the treeless plains, and the city of Deadwood was isolated and surrounded by the warlike Sioux Indians; yet the famous express agency of Wells, Fargo and Company carried out with only minor losses three score millions of dollars before the railroads came.

The free silver movement supported by the mountain region

The mountain territories, it will be seen, were thus based entirely upon gold and silver mining—although copper and lead mining became profitable later. It is estimated that their production of silver from 1860 to 1900 amounted to more than a billion dollars and gold to more than a billion and a quarter. The large production of silver combined with the virtual demonetization of silver throughout Europe, caused a rapid decline in the value of silver in terms of gold; and this gave great impetus to the free silver movement on the part of the mountain territories and states, which was supported for its inflationary effects by the Greenback Party, the Farmers' Alliances, the Populists, and finally by the Democratic Party.

The necessity for the removal of the Indians and buffalo

The miners set themselves down not only in the midst of a semi-arid expanse of mountain and plain, but in the midst of hostile Indians and millions of buffalo. The Indians had to be confined in reservations before there could be much development in these western territories. The buffalo had to be exterminated for they were the basis of Indian economy as well as the deadly enemy of the grain and truck which the mining communities soon began to cultivate, and of the cattle and horses necessary for subsistence and transportation. Even more aggressive than the miners and more incompatible with the Indian hunting economy were the agricultural migrants and herdsmen from the East and Southwest.

Indian resistance broken by treachery and savagery of commanding generals of the United States army

Caught between the miners of the mountains and the farmers and herdsmen of the plains, the Indians put up a battle to the death. This war between the white man and the Plains Indians lasted from 1862 to 1890, although the principal contests were over by 1878. This time it was not the private citizen and state militia as it had been on the older frontiers, but the regulars of the United States army under the command of such high ranking generals as Sherman, Sheridan, Crook, Gibbon, and Custer, who were sent out to drive the Indians from the lands which the United States had allotted them. Nor would the United States army so soon have broken the resistance of the Indians had not its leaders resorted to treachery and savagery even beyond the limits set by the red man himself.

One reads with horror how Colonel J. M. Chivington, seemingly with the approval of superiors, massacred a large body of Arapaho

and Cheyenne Indians composed of men, women, and children, who had assembled at Fort Lyon, Colorado, under his protection for the purpose of making a peace treaty. Although the Indians under their chief, Black Kettle, were flying a flag of truce and the stars and stripes, women were shot down while imploring mercy and their little children had their brains knocked out with clubbed rifles, and the men were tortured and scalped. In November, 1868, General George A. Custer, acting under General Sheridan's orders, surrounded the Arapahoes and Cheyennes in their village of Wichita, attacked them while sleeping and repeated the atrocities of the Chivington massacre of 1864. In January, 1870, a detachment of troops, under Sheridan's orders to show no pity for the Indians regardless of age or sex, attacked a band of peaceful Piegans, killed and mutilated more than thirty men, ninety women, and fifty children, who were guilty of no offence other than belonging to the same tribes as a group of depredators who had escaped across the Canadian border and who were out of Sheridan's reach. Other such massacres of the Indians were carried out under Sheridan's orders. This does not imply that the Indians were not treacherous and brutal, but after all they were in their own homes and were not supposed to be civilized. Ultimately, General Custer fell a victim to Indian retaliation. In 1876 he attacked a band of Sioux and Cheyenne Indians under the leadership of the famous chieftain, Sitting Bull, on the Little Big Horn River, but the Indians outnumbered the whites, surrounded and massacred them to the last man, and scalped all but Custer himself.

While the army under the orders of Sherman and Sheridan was thus exterminating the Indians, the settlers, cattlemen, hunters, railroad builders, and soldiery were slaughtering the buffalo and thus destroying the foundation of Indian economy. There were between seven and ten million head in 1860, but by 1885 there were less than one thousand left.

The ruthless policy of the War Department in dealing with the Indians led to the selection by Congress of several committees of investigation. The reports of these committees together with those of newspaper writers created great sympathy for the Indians in the older settled communities, and strong demands were made that the United States conduct itself as a civilized nation in dealing with the unfortunate Indians.

The resulting changes in policy were meant to be in the interest of both the white man and the Indian. For the benefit of the onrushing waves of white settlers, the Indians were deprived of most of their lands and were settled in undesirable remnants called reservations. But the government granted the Indians annuities and doles

*Slaughter
of the buffalo*

*Sympathy
for the Indians
aroused*

*The deteriora-
tion of the
Indians on
reservations*

*The policy
of making
the Indian
a citizen*

to take the place of the land and the buffalo of which the red man had been deprived. Crowded upon inhospitable and gameless reservations, the Indian rapidly deteriorated in character, and many a noble warrior in his old age was a common beggar and pilferer.

Seeing the unenviable plight of the Indian, the policy of the government began to trend toward the civilization and assimilation of the Indian rather than his extermination. Congress, looking to the breakup of tribal organization, passed a law in 1871 putting an end to the practice of making treaties with the Indian tribes. In 1887 it passed the Dawes Act, which went further in this direction by providing for the distribution of tribal lands to individuals. Heads of families were to receive, if they desired and the government approved, one hundred and sixty acres of land, unmarried adults and orphans, eighty acres, and dependent children, forty. To prevent the sale of the land and the cheating of the Indians by speculators, it was to be held in trust for twenty-five years. Indians were made citizens when they received the title to their lands. It was presently discovered that the Indian was not willing or ready to accept the white man's civilization, or if he did accept it, he usually selected the most detrimental phases. For one thing as a citizen he could buy liquor as long as his money lasted. This proved to be serious, for there was no effective way to prevent the Indian citizen from passing liquor on to Indians still maintaining their tribal connections. Then, too, the Indians were usually unwilling to wait twenty-five years for the title deed to their land, and many soon deserted their holdings and went back into the tribe. It was also discovered that the Indian vote was easily purchased.

It was hoped that the situation could be remedied by educating the Indian, and a compulsory educational law was passed in 1891. Again in 1906, the Burke Act further attempted to do something to better the lot of the Indian. It gave the Executive the authority to lessen the period of trusteeship at his discretion. Indians were not to become citizens until after they received full title to their lands, and it was forbidden to sell liquor to Indians who were not citizens. None of these things seemed to put an end to the steady deterioration of the Indians, except in the case of the Oklahoma Indians, who had already become good farmers before they were moved out of the South during the Jackson Administration, and who had already begun to educate their leaders. In 1924 the government removed all restrictions upon the Indians' political status and made them all citizens of the United States. Then in 1934 the government reversed itself and under the Wheeler-Howard Act ended the distribution of tribal lands, encouraged the Indians to reorganize as tribes, and loaned them

money for soil improvement, irrigation, and the purchase of tribal lands. Interestingly enough, some of the Western tribes have shown marked signs of regeneration under the return to a limited tribal government.

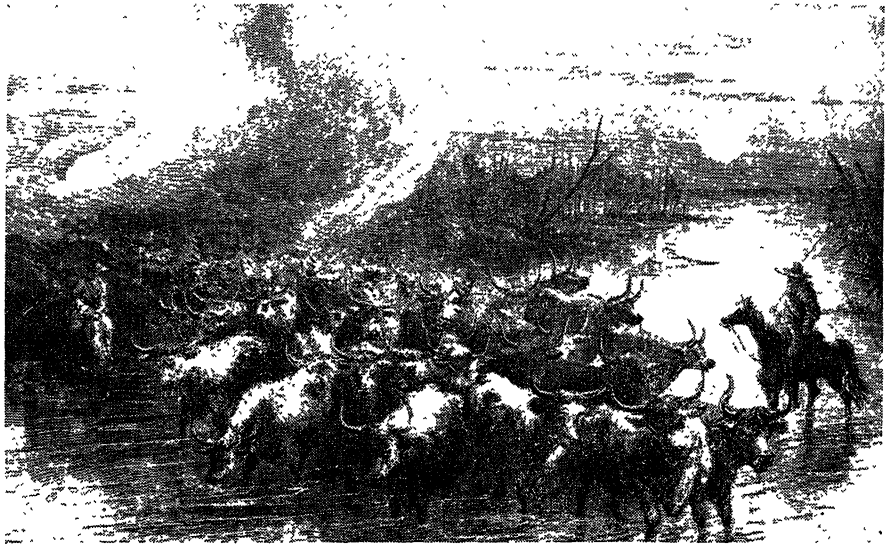
With the withdrawal of the Indians to reservations, the release of great stretches of territory on the Great Plains, and the destruction of the buffalo, the herdsmen moved in. From colonial days until the opening of the Great Plains after the Civil War, cattle grazing combined with hunting had been the normal pursuit of the frontiersmen, especially in the Southern and Middle colonies and states. However, this earlier era of grazing never assumed such proportions as that which developed on the Plains after the Civil War and which lasted about twenty years. The beginnings of this postwar business can be plainly seen by an examination of the Agricultural Census Reports for 1850 and 1860. Millions of head of cattle were reported in the wide pine belt of the lower South and in the Southern mountains, numbers out of all proportion to the population and to the cultivated area, thus indicating a grazing economy. In 1860 Texas, with a population of less than a half million whites, reported more than two million head of cattle in the census and had many more, no doubt, running wild. The bulk of these cattle were of Spanish origin. During the Civil War these herds increased perhaps twofold. In western Louisiana there were large herds of Spanish cattle, mingled with those from the East. On the Pacific coast there were well-stocked ranches and many wild herds before the Civil War. Tennessee, Kentucky, Ohio, Indiana, Illinois, and Missouri were overflowing with cattle when the Western Plains were sufficiently cleared of Indians and buffalo to permit the herdsmen to move in.

The most spectacular event in cattle business after the war was the driving of enormous herds of cattle from Texas through Indian Territory along the Chisolm trail to railheads in Kansas and Nebraska. It was found that the wiry buffalo grass that grew on the semiarid plains of central and northern Texas dried while standing, and became excellent hay on which cattle could winter without shelter or feeding. This type of grass extended to Canada, and, as the cattle were driven northward during the latter part of the summer, they grazed and fattened as they went. It was immediately learned that cattle could winter as far north as Montana and Dakota without being fed or sheltered, and Texas cattle were purchased by Northern ranchers and carried into the Northwest to graze for another season. Although many cattlemen bred their own stock in the middle and upper Plains states, for a time there was a tendency to purchase the yearling steers from Texas, so that the latter region became the nurs-

*The herdsmen
succeed the
Indian and
buffalo*

*Texas,
the cattle
breeding
grounds;
further
grazing and
feeding in
the North*

ery for the cattle business, and the more northern regions became the growing grounds. Frequently there was a third stage to the cattle business: they were shipped by rail to the corn belt and finished by cattle feeders.



Harper's Weekly, October 19, 1867.

A DROVE OF TEXAS CATTLE CROSSING A STREAM

Sketched by A. R. Waud.

*Great
profits in
the beginning*

The profits of the grazing business became enormous. The public domain was grazed without cost; relatively few cowboys were required to tend the cattle on the open plains, compared with the wooded country east of the Mississippi; and the drive to market was, as observed, a grazing junket itself. Profits often ran as high as forty per cent when the business was at its peak.

*Open-range
cattle business
ended; reasons*

The open-range cattle business, however, was as short-lived as it was spectacular. There were several factors that brought it to an end. Eastern and even European capitalists, impressed by the quick millions that had been made in cattle grazing, purchased great herds of cattle, and ranges were overstocked by 1883. The more powerful cattlemen with their own private armies of reckless cowboys soon began to fence off the public land, and thus seize control of the few water holes and dependable streams, and to crowd out the smaller herdsmen or compel them to sell out. By 1885 there were more cattle being grazed on the Great Plains than could be disposed of at a profit. At the very time when the size of the cattle business was being

increased, the steady tide of homesteaders was, as has always been true in other places and times, pushing the herdsmen further back into the more arid regions and rapidly narrowing the open range. Then the British government cut into the American market by passing a law prohibiting the importation of American cattle on the ground that they were often diseased. In 1885 and 1886 Kansas and Colorado, respectively, passed a quarantine law prohibiting the further bringing of Texas cattle into these states, partly because of the Texas fever and other dangerous cattle diseases, but chiefly, it seems, to kill the competition with Texas cattle that multiplied like guinea pigs.

At the same time that these factors were at work to deplete the profits and threaten the life of the open-range cattle business, the packing houses became a virtual monopoly under Armour, Morris, Swift, and Hammond, and by mutual agreement were able to set the prices of cattle at an arbitrary figure—always low. Finally, the railroads, which had brought in the agricultural settlers to disturb the cattlemen, charged both farmers and cattlemen all the traffic would bear and more. Only the great cattle kings with millions of dollars to back them could make deals and obtain rebates like the Standard Oil was doing and, as in the case of the Standard Oil Company, always at the expense of the smaller and weaker competitors.

These factors—the coming of the agricultural settlers, overstocking, quarantine laws that crippled the Texas cattle business, packing house monopolies and railroad exploitations—left no margin of safety; and when two severe winters, 1885-86, 1886-87, came on top of all these, and were then followed by a ten-year drought, the range cattle business was wrecked.

Coming as it did just as the Farmers' Alliance and Populist movements were getting under way (Ch. XIII), the great drought brought the bankrupt rancher and cowboy and the Western farmer together in their common grievances against railroads, banks, packing houses, and monopolies, and in their demand for cheap money. Already the mountain states, dominated by the silver mining interests and imposed on by railroads, were harboring deep enmity toward the same things and were demanding free silver, which, although not intended to be, was a demand for cheap money.

The farmers were by far the largest group to move into the West. Even the cattlemen themselves after 1887 became farmer-ranchers, and many of the mine workers did the same. Unlike the pioneer settlers east of the Mississippi and even those in the first tier of states to the west of the river, the agricultural population of the Great Plains did not come on horseback or in carts and wagons. The com-

*Cattlemen,
miners, and
farmers
have common
grievances*

*The farmer
succeeds the
cattlemen;
the railroads
as colonizing
agents*

monwealths of the Great Plains and mountains were the creatures of the railroads. The railroads brought the people in and carried their farm produce and livestock to the Eastern markets. It will be recalled that the Federal government had granted the transcontinental railroads an estimated 128,000,000 acres from 1862 to 1871 when the policy had been ended, and that it had granted the states many more millions of acres to be granted to the railroads. Furthermore, by the use of dummy homesteaders, dummy squatters, and outright claims-jumping, other millions of acres were added to the railroad holdings. The railroad grants lay in alternate sections ten to twenty miles deep on each side of the right of way; and it was these lands and the government lands lying between them on which the farmers naturally settled at first.

The railroads had well-organized land departments that printed intelligent and widely circulated propaganda literature calculated to dispel the idea that the Great Plains was a desert. Average rainfall was shown to be quite sufficient for the growing of small grains far past the hundredth meridian. Nor was this incorrect, for over a period of many years rainfall sufficient for wheat and barley crops had occurred in the semiarid areas of western Kansas, Nebraska, and eastern Dakota. Emigrants from Scandinavia, Germany, and even Russia were brought in by the railroads and steamship companies allied with them; and, as always, the farmers from the contiguous regions to the East and in the same isothermal zones pushed on toward the frontier to obtain cheap lands either from the railroads or from the government. The railroad lands were usually sold on a ten-year credit, and at a reasonable price, ranging from twenty-five cents an acre to about five dollars, but averaging between three and four dollars an acre. Railroads sold tickets to land prospectors with the agreement that the price of the tickets could be counted as payment on the purchase of railroad land; and free transportation was often given to the settler's family.

*The railroads
interested in
transportation,
aid the
farmers in
obtaining
government
land*

The railroads were, of course, greatly interested in disposing of their lands at a good profit, but their long-time interest was in the settlement of the country, which alone would make the railroads prosper or even survive. Freight and passengers rather than land speculation were their chief desires. Prospective settlers were instructed by the railroads concerning the land laws of the United States and how to obtain large tracts of government lands at the minimum cost. The land system of the United States was, until the passage of the Timber Culture Act in 1873, based upon the climatic and geographical conditions east of the Mississippi where water and timber were plentiful, and the required size of the family farm was small;

but it did not suit conditions in the West where water and timber were scarce, and where mechanized farming and the sparseness of grass for pasturage required large acreage. The pre-emption act of 1841 permitted a settler, after squatting on government land for six months, to purchase 160 acres at the minimum price of \$1.25 an acre. The Homestead Act of 1861 granted, upon the condition of a five-year residence, 160 acres free to heads of families or persons over twenty-one years of age who were citizens or who had filed their papers declaring their intentions to become citizens. The railroads and land companies pointed out that these two acts could be juggled so that land could be obtained under both. First the squatter could get his 160 acres under the pre-emption act, then he could homestead 160 acres. In this way he obtained 320 acres at the government minimum.

In 1873 the Timber Culture Act, passed to meet conditions of the Great Plains, permitted a settler to acquire 160 acres of land on condition that he plant and maintain for ten years forty acres of timber. The Desert Land Act of 1877 went much further in fitting the land policy to the High Plains. In all the states and territories lying between the first tier of states on the Mississippi and the Pacific states and territories, a person could under this act purchase a section—640 acres—at \$1.25 an acre, provided he should irrigate the land within three years. Only twenty-five cents per acre was required as down payment, and the remainder was to be paid at the end of the three years, provided, of course, the purchaser submitted proof of irrigation. In 1878 the Timber and Stone Act permitted the settler to purchase, at the minimum price of \$2.50 an acre, 160 acres of land not adapted to cultivation but valuable for timber and stone or minerals. By taking advantage of the provision of all these acts the farmer and rancher on the Great Plains could acquire 1280 acres at a cost of \$1.00 an acre. The railroads did not forget to inform the prospective settlers of the possibility of thus acquiring a large holding, nor did the agents fail to pass out the information that the terms of these acts could be easily circumvented under a government not interested in their enforcement.

Under railroad management, then, the movement of the agricultural population into the Great Plains assumed the aspects of a human tidal wave by the end of the 'seventies. Despite the railroad, however, without the barbed wire and the small metal windmills to pump water from the deep bored wells, the Plains doubtless would have remained an open range for the cattlemen and the cowboys. Several crude specimens of barbed wire

*Barbed wire
and the metal
windmill make
permanent
settlement
possible*

were patented in the late 'sixties and early 'seventies, but it was not until 1874 and 1875 that successful wire was produced. After that the farmer could protect his crop from the trampling herds as long as the cattlemen did not cut the fence—something that they frequently did and at the cost of bloodshed. The small, easily shipped metal windmill made it possible for the agricultural settler to push in to the open plains where there were no streams or springs, and to bore deep wells from which the windmill could pump an almost constant stream of water. The barbed wire fence and windmill were more fundamental in the permanent settling of the plains by agricultural folk than were the railroads.

The highly mechanized farming of the West dependent on one money crop

The farmers of the Plains moved into the new country for a reason somewhat different from that of the pioneers east of the Mississippi. With the exception of groups of cotton planters here and there upon the Southern frontier, most Eastern pioneers had probably moved upon the public domain, not merely to obtain better and cheaper and, therefore, more land, but to fall back upon a self-sufficient, non-money economy for an indefinite time, depending upon the range, the wild game, subsistence farming and crude home manufactures. In short, they would mend their fortunes in part by lowering their standards of living. The pioneers of the Plains were capitalistic farmers, dependent upon a one money crop and highly mechanized and expensive farm equipment. For example, it was absolutely necessary for them to purchase reapers, and when the binders came into use after 1880 they were compelled to purchase them or lose out in the competitive business of raising grain. When the combine was developed in 1885, all wheat farmers felt the necessity of purchasing one or more. Improved drills, plows, and wagons, too, must also be purchased. Then they must have hogs, cows, and work stock, houses, barns, and fences.

All individual and public establishments equipped on credit from the East

Such equipment and livestock were expensive, and it all had to be purchased on credit. But credit was exceedingly easy for the settlers in the new country, because Eastern capitalists with surplus money long regarded a mortgage on a Great Plains farm as a gilt-edge investment which would earn eight and ten per cent, and they readily accepted chattel mortgages at from ten to eighteen per cent. Then the people must have public buildings, courthouses, schools, churches, and, in the towns, power plants, streetcar systems, roads, bridges, and irrigation canals. It was a money economy with a vengeance, and someone else's money, too. By 1887 the West, including such prairie states as Iowa and Missouri, was mortgaged almost to a farm and down to the last plow horse and threshing machine,

and municipal, county, and state governments were heavily burdened with bonded debts.

In 1887 the Western boom collapsed. The wheat and corn farmers for years had raised a surplus of grain, and the price had steadily declined; but by increasing the acreage they had been able to maintain a fairly steady income. The sharp decline in 1885 of cattle

Collapse of the Western boom; foreclosure of mortgages



Harper's Weekly, February 28, 1874

"BUSTED!"—A DESERTED RAILROAD TOWN IN KANSAS.

prices had affected the prices of small grain and corn seriously. Then, too, while the steady increase of acreage was going on in the West and overproduction was taking place in terms of the home market, Canada, Russia, Australia, Argentina, and India were pouring cheap grain into the world market, and were contributing further to the rapidly declining price. In 1887 in the midst of a world bumper crop, the ten-year drought, which virtually completed the destruction of the range-cattle business, set in and ruined many thousands of grain farmers on the Plains, and did great damage to them all. The population that had so eagerly streamed into the western portions of Kansas, Nebraska, Dakota, and even into eastern Colorado and Montana, began streaming back, bankrupt and desperate. The Eastern creditors and loan companies, financed

by Eastern and even foreign capital, began foreclosing land and chattel mortgages *en masse*. Frequently, of course, the chattel and real estate thus foreclosed were not, nor had they ever been, worth the money borrowed on them; but in other cases the mortgages did not represent more than a fraction of the actual or potential value of the property foreclosed. It was under these circumstances that the Alliance and Populist movements, amounting almost to a revolution, swept the Northwest. However, these were preceded by the Granger, the Greenback, and the free silver movements that followed the panic of 1873 and the succeeding depression. These phases of the farmers' protest will be reviewed in their proper place; but, first, it is necessary to look at the South, where conditions were worse than in the Great Plains.

THE SOUTH

*The increasing
destitution of
of Southern
farmers;
causes*

The economic, social, and political structure of the South had been shattered by the Civil War and Radical reconstruction. On top of the chaotic situation thus created came other forces to retard recovery. The panic and depression of 1873-77 and the depression beginning in 1886, which culminated in the panic and depression of 1893-97, would have, without Civil War and reconstruction, reduced Southern agriculture to desperate straits. The protective tariff, which compelled the farmer to sell his cotton and tobacco in the competitive world market and to purchase all industrial products such as farm implements and clothing in the protected, only slightly competitive home market, was an important factor in the continued and increasing poverty of the rural South. But the most obvious and, perhaps, the most fundamental cause of this destitution that increased with the pace of geometrical progression was the Southern farmers' lack of credit, combined with a general lack of accumulated liquid capital throughout the whole section. To some extent the prejudices of the war and reconstruction hindered the Southern bankers from taking advantage of the national bank system. But the lack of local capital itself prevented prospective bankers from purchasing United States bonds on which a national bank could be based and upon which bank notes could be issued; and when capital became more available in later years, bonds could be obtained with difficulty because the Federal government itself was purchasing its bonds as fast as possible to reduce the surplus (p. 244). This situation may be understood better when it is recalled that out of about twenty-five hundred national banks in the United States only about four hundred in 1895 were in the cotton states, and most of them had a small capitalization. Indeed, scarcely a

rural county in the cotton belt and few in the upper South had any kind of banking institution. Any farmer or planter who desired to borrow from a bank was compelled to go to a city, frequently at quite a distance, and negotiate with a banker who had no personal knowledge of him or of the value and location of his farm, with the result that, except in the rarest cases, he could not obtain credit from a bank.

In a section where the production of the great staple crops of cotton, tobacco, rice, and sugar had resulted in a highly developed money or capitalistic economy and where before the Civil War credit had been easily available, the postwar lack of credit would be most serious. A credit system must be created or the South would be compelled to farm only for subsistence (which, perhaps, might have been better in the long run). It was accomplished, but at a fearful price: the virtual serfdom of the farm population, planter, small farmer, and tenant, black and white and, for a while, even the merchant.

At first the credit system was based primarily on the furnishing merchant, who supplied the farmer and his tenants with groceries, livestock, clothing, shoes, cash money (in limited quantities), and who paid the doctor's bill, bought the coffins, and even hired hearses for the funerals. The merchant, usually living in a small neighboring town or not infrequently at a crossroad in the country, either borrowed money from Northern banks or purchased goods on credit from Northern wholesale establishments and factories. The "drummer" was an exceptionally important link in this credit system, for he not only sold the supply merchant his goods, but watched his sales and his books and reported back to headquarters at regular intervals. This business of furnishing impoverished farmers and planters together with their even more impoverished laborers and tenants was almost as risky as the pawnbroker's business and, primarily because of this fact, the merchant paid almost what amounted to pawnbroker's interest. Certainly this was true for many years after the Civil War. The furnishing merchant in turn passed the interest on to the farmers, planters, and tenants, and added an even higher interest on the goods sold to them than he was paying to the jobbers and factories. It is difficult to say with any exactness just what interest was charged; but an occasional case has come to light, which might or might not be typical, where the merchant first added a thirty per cent profit, which was probably not so far different from what the cash stores in the cities were doing, and then, on top of this mark-up, he charged a flat thirty per cent interest. However, it must not be overlooked that the manufacturer had been

*The need of
a rural credit
system in the
South*

*The rural
credit system
of the South*

able to boost his products by an average of not less than forty per cent above what he would have been able to obtain had there been no protective tariff; and that the jobber or wholesaler had in turn added a handsome profit and a heavy interest to the manufacturer's price.

This was not the end of the credit line, however. The farmer and planter who owned the land and the livestock and the farm equipment were compelled to "stand for" their tenants; that is, they were compelled to underwrite the tenants' debts. For this risk they



World's Work, Vol. IX, November, 1904.

THE MARKET IN MONTGOMERY, ALABAMA.

charged a further interest on the goods that the tenants purchased. In case a tenant could not pay, the landlord would have to assume the debt himself and eventually pay it or surrender the collateral. The collateral was usually the livestock, wagons, farm implements, and the growing crops of both himself and the tenants. When the landlord was unable to pay off the debt, the furnishing merchant, who in turn might not be able to pay the jobber, would take a mortgage on the land. In the days of reconstruction and in the year of panic and depression, when the price of cotton declined to five cents a pound, planters and farmers lost their lands by the wholesale, and the furnishing merchants, usually against their desires, found themselves large landholders, compelled either to

supervise one or more plantations or to hire overseers to handle the tenants whom they must continue to furnish or lose. The former landlord would either move to the city and find employment or become a tenant on his own or some other person's land.

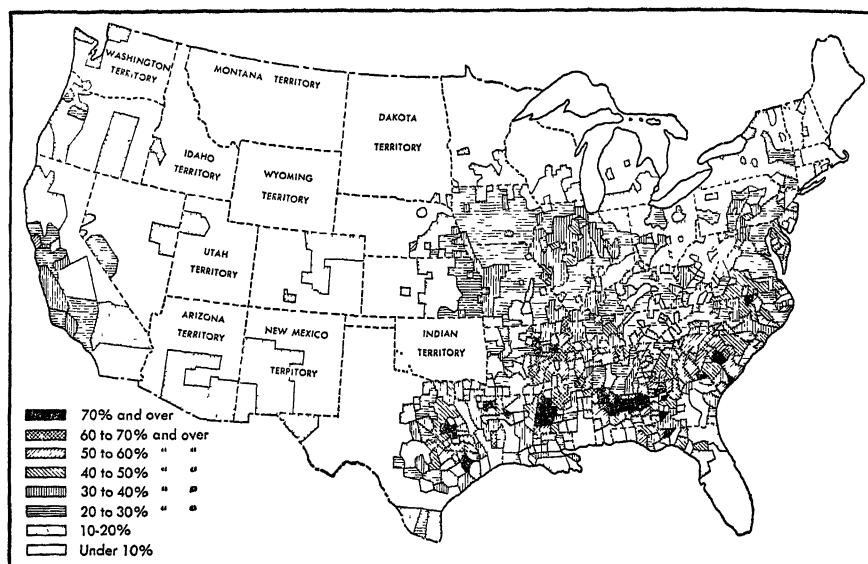
It has been a very common error, first made by the Census Bureau, to picture the ex-slaves, poor whites, and small landholders as buying up the large landed estates of the Southern planters. This error crept into the census reports from the failure to distinguish between tenant farmers and landowners. As a matter of fact, relatively few freedmen were able to buy and pay for a farm, and hundreds of thousands of white landowning farmers and most planters lost all or large parts of their landholdings to the furnishing merchants, banks, loan companies, and the few planters and farmers who had been lucky or thrifty enough to accumulate some liquid capital. Consequently, probably a majority of white farmers and most of the Negroes became tenants before the end of the period (1865-1914). As far as the whites are concerned, this is a different picture from land tenure of the ante-bellum days, when at least eighty per cent of the white agricultural population, slaveholders and non-slaveholders, owned the land that they cultivated. The history of land tenure in the South since the Civil War is one of ever-decreasing ownership.

*The
decreasing
landownership
of the
Southern
farmers*

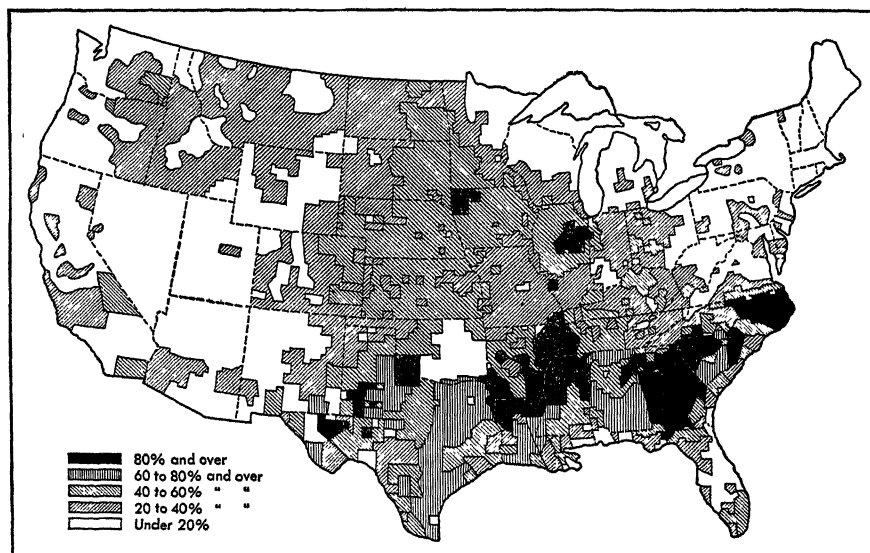
The Negro usually began working after the Civil War, not as a tenant but as a wage earner under a contract drawn up by the Freedmen's Bureau. Wages, periods of work, holidays, and other duties and rights were all specified in elaborate contracts. The payment of the laborer's wages was secured by a lien or mortgage on the landlord's crop; and to secure the landlord from loss, the unpaid wages of the laborer were to be forfeited should the latter not fulfill the contract. Here the credit system came in again, for, without cash, the Southern farmers had to postpone the payment of wages until the crop was sold and the supply merchant paid—usually by November—for the food and clothing which the laborers had received. In the meanwhile, the Negro was housed and fed at the expense of the landlord, who had obtained supplies for himself and his hands in the manner described above; but he was restless and uneasy at the long wait for the cash balance of his wages and he would not infrequently leave before the crops were harvested. Then, too, the freedman did not like to have an overseer since it seemed too much like slavery times to be comfortable.

*The share-
cropper
and renter*

The wage system suited the landlord even less than it did the colored tenant and, with the aid and approval of the Freedmen's Bureau, the share-cropping system, which was already used to some



FARM TENANCY, BY COUNTIES, 1880.



FARM TENANCY BY COUNTIES, 1930.

extent by white families, was substituted. Under this system the "cropper," colored and white, and his family furnished the labor and paid for their clothing and food and other personal necessities, while the landlord furnished a house, land, work stock, seed, farm implements, and half the fertilizer. The cropper signed or affixed his mark to a mortgage or lien to the supply merchant on his half or third of the crop and thus formed the mudsill of the credit system described above. It is probable, although not certain, that the bulk of white families who lost their land after the Civil War were renters and not share-croppers during the period until the end of the century. After that an increasing number became share-croppers. Thus the war and reconstruction-ridden South picked itself up "by its boot straps."

Many supply merchants made fortunes, a few real planters regained their wealth, and an occasional small farmer rose to affluence; but many of the supply merchants, and most of the planters and farmers suffered bankruptcy under the post Civil War economic conditions that prevailed in agriculture generally and in the South particularly. It may be easily understood why farmers should demand cheap money when thus entangled in such a maze of indebtedness, with the price of cotton declining from an average of fifteen cents a pound in the three years preceding the panic of 1873 to five cents in the years after the panic of 1893, and the value of the dollar constantly rising and increasing their indebtedness. The greenback movement and the free silver movement would find the Southern farmer as radical as the Westerner on the money question, merchants, and banks—although not on railroads.

Not all the economic life of the South after the Civil War was confined to agriculture. Considerable progress in the development of industry had been made in the decade prior to the Civil War and, as soon as conditions became somewhat stable after reconstruction, this development was resumed or begun over again. In casting about for an explanation for the defeat of the South in the Civil War, Southern leaders had generally concluded that the lack of industrial self-sufficiency had been one of the fundamental reasons. Lacking in the development of iron and textile manufacturing and in skilled artisans, and cut off to a great extent by blockade, the Confederacy, it appeared, had been strangled by this lack of industrial self-sufficiency. Since, however, there was a unanimous acceptance of the issues of the war with no intention of ever again renewing the conflict, the lessons of the struggle were to be used not in future war but in future peace. It was believed by some that a balanced economy was the only solid foundation for a sound social order, while

Poor credit system and the burden of debt cause the South to demand cheap money

The desire for industrialization of the South

others were so impressed by the industrial power of the North that they were determined not so much to create a balanced economy in the South as to develop an industrial society equal if not superior to that of the North. Henry Grady and Sidney Lanier were the prophets of this "New South," where not the "Song of the Chattahoochee" but the song of the cotton mills on the Chattahoochee would be the satisfying thing to the soul. Aside from any theory as to the relative merits of an industrial-agrarian society and a predominantly industrial society, there was the simple problem of creating some means of earning the daily bread and shelter for some millions of poverty-stricken farmers, who had been thrust down into peonage by the pile-driving blows described above. Perhaps the immediate necessity of industrial employment was epitomized in the text of an evangelist's sermon at Salisbury, North Carolina. "Next to the Grace of God," announced the minister, "what Salisbury needs is a cotton mill." Salisbury got the mills and the evangelist was the promoter.

*The
development
of textile
industries*

Very rapidly during the last two decades of the nineteenth century cotton mills multiplied near and above the fall line from North Carolina through Alabama and here and there in other states. Likewise there grew up the knitting industry in the same area. These mills were built by hard-earned Southern capital—blood money—and it was not until the business was well established and thoroughly profitable that Northern capitalists began buying interests in the mills, buying them outright, or building new mills. By 1900 the Southern mills were rapidly being taken over by powerful financial interests in the East as were the railroads (pp. 151 ff.) and the iron and steel industry.

*Industrial
wages little
better than
income from
agriculture*

From the point of view of the impoverished farmers, industrialization seemed to be a philanthropic movement. Employees were grateful for the opportunity of earning a cash wage. Whole families down to children eight years of age went to work with gladness for the barest pittance. When the old-fashioned Southern country family of eight or ten children brought home a few dollars each at the end of the week, the collective pay roll seemed at first considerable. But heads of the families, unable to obtain regular employment, usually developed into trifling loafers, for the mill owners wanted young and nimble fingers or the fingers of older women accustomed to more delicate work than that of guiding a plow or chopping with an axe. It was soon found that the real wages of the mill hands were little better than those of the farmer, for only a bare and monotonous subsistence was gained.

Only white persons were employed as spinners and weavers in

the new mills, for, as has been seen, the promotion of the textile business was by Southern whites, who, embittered by the Civil War and reconstruction, were only interested in giving employment to those of their own race. Had there been no antagonism toward the Negroes at this time, Southern custom would have been an insuperable obstacle to using them. Although there was little or no objection—except in the mountains—to Negro men and white men laboring together, public and private opinion demanded the segregation of the races where women and children worked. Perhaps there is another factor involved in this early pattern of employment of whites exclusively: the mills were built near or above the fall line where most of the population was white.

The cotton-seed oil business also began to develop into an important industry during the last twenty years of the nineteenth century. The iron and coal industries likewise sprang into existence in Alabama, Tennessee, Kentucky, Virginia, and West Virginia. In all these—textile, cotton-seed oil, coal and iron industries—absentee ownership prevailed by the end of the period and the employees soon found themselves not as well off in many respects as they had been back on the farms, so that they too, joined the voice of distress and discontent manifest in the agrarian movements.

The organized action taken by the farmers and the workers of the South and West in the Granger, Greenback, Alliance, Populist, and free silver movements will be dealt with at the point where the agrarian discontent had the strongest influence in national politics.

*White labor
used in textile
mills; reasons*

*Other
industries;
absentee
ownership*

PART III

From the Bloody Shirt to Real Issues

CHAPTER X

Republican Transition: Hayes, Garfield and Arthur

ALTHOUGH the Republican Party was unrepentant for its misdeeds under Grant and for the manner in which it had gained the Presidency in 1876, it had, to the bitter disappointment of the Radicals, put an independent and courageous man in office.

When Hayes assumed office on March 5 (he had taken the oath of office privately on March 3 because the 4th fell on Sunday), he stated plainly to those who had ears to hear that a new era in the conduct of public affairs had begun. In his letter of acceptance, in his correspondence with independent Republicans such as Carl Schurz, and in his inaugural address he set forth in language upon which no double construction could well be placed his enlightened platform—which bore little resemblance to the platform adopted by his party at the nominating convention. It proposed to relegate the war issues and sectionalism to the past and to look squarely to the future. Three things were emphasized. First, the South was entitled to “peaceful self-government,” which, however, must not be gained at the expense of the freedman. He would, if possible, “forever wipe out in our political affairs the color line” in the interest of a united country. Second, he would give honest and efficient government to the United States by establishing a permanent civil service based upon merit and not subject to partisan influence or control. “He serves his party best who serves his country best,” observed Hayes in close paraphrase of a line from the *Iliad* (“He serves me best who serves my country best.”) In aid of good government he would amend the Constitution so as to limit the President to a single term of six years. Third, Federal bonds, greenbacks, indeed all Federal money and credit, must rest upon “a coin basis,” which, Hayes soon made clear, was gold coin.

*Hayes’
personal
platform*

THE ENCOUNTER WITH THE RADICALS OVER CABINET APPOINTMENTS AND RECONSTRUCTION

The country at large applauded the fine purposes set forth in Hayes’ letter of acceptance and in his inaugural, but it is doubtful

*Hayes
reveals his
independence
in the
selection of
his Cabinet*

whether but few outside the Liberal Republican ranks were impressed. Certainly the arrogant and cynical Radical bosses were not convinced that Hayes was serious or that, if he were serious, he had the courage and the power to carry out his promises. They were, therefore, shocked and outraged when in pursuance of honest government he selected a Cabinet without duly consulting them and with so little regard for partisan obligations. He named John Sherman as Secretary of the Treasury partly in recognition of Sherman's indefatigable efforts in obtaining the nomination and election for Hayes, but chiefly because of his almost unequaled qualification for the place. He nominated Richard W. Thompson as Secretary of the Navy in deference to Oliver P. Morton—the only Radical spoilsman consulted at all. On the recommendation of George F. Hoar he nominated, for Attorney General, Charles Devens, who at the time was a justice of the Supreme Court of Massachusetts. George W. McCrary was made Secretary of War; Carl Schurz, the enemy of spoilsmen and machine politicians, Secretary of the Interior; and David M. Key of Tennessee, Democrat and ex-Confederate, Postmaster General. But the gravest of all offences to the Radicals was the nomination of William M. Evarts, archenemy of Roscoe Conkling, as Secretary of State. It will be recalled that Evarts had carried the chief burden of the defense of Andrew Johnson at the impeachment trial and that he had recently acted as counsel for Hayes before the Electoral Commission. He was one of the ablest lawyers in the United States and a man of liberal views and forceful character.

*The old
Radical
leaders
offended
by Hayes'
refusal to
appoint
members of
their machines*

Conkling, who first had shown some desire to become Secretary of State himself, and who, when this was seen to be impossible, had urged the appointment of his understudy, Thomas Platt, as Postmaster General, bellowed like an angry bull when Evarts was nominated. Simon Cameron, the Republican boss of Pennsylvania, had demanded that his son, "Don," should be retained as Secretary of War, and when his demands were not met he resigned from the Senate and had the Pennsylvania legislature put his son in his place. Blaine demanded in threatening tones that one of his followers, William P. Frye, be given a place in the Cabinet. In short, all the old Radical prima donnas except Morton had been ignored or treated with neglect. They at first rose as one man to oppose the Cabinet appointments of Hayes; but when public opinion sustained the President they reluctantly withdrew their opposition. They were, however, determined to block Hayes' program as far as possible.

With his Cabinet appointments ratified, Hayes quickly fulfilled

therefore, rely on his executive authority. The rules that he wished to be observed in appointing to office were clearly stated.

1. "Party leaders should have no more influence in appointments than other equally respectable citizens."
2. "No assessment for political purposes on officers or subordinates should be allowed."
3. "No useless officer or employee should be retained."
4. "No officer should be required or permitted to take part in the management of political organizations, councils, conventions, or election campaigns" though they were permitted as other citizens to vote and express their opinions.
5. Men already in office would be dismissed only for the good of the service.

The departments prepare to enforce the Presidential rules; conditions in the custom houses



Photo by Brady & Co., Washington
ROSCOE CONKLING.

The various departments and subdivisions were ordered to carry out these principles.

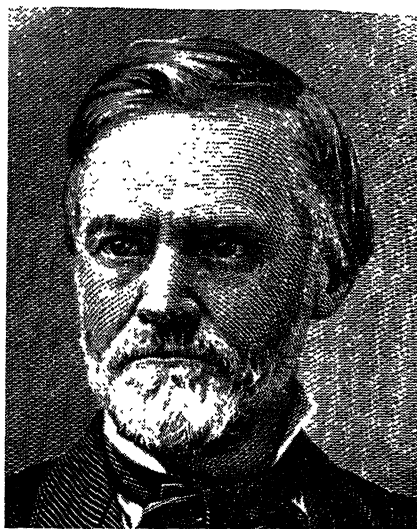
Schurz, who had been so influential in formulating the ideas of civil service reform, promptly devised rules embodying these principles. The heads of other departments complied more or less, and the welkin rang with howls of indignation from the machine bosses. Sherman, the practical politician and party regular, was somewhat loath to carry out Hayes' policy. But it was in the Treasury Department where so many corrupt spoilsmen were entrenched and he, although reluctant, co-operated fully with the President. The New York custom house was the core of the

Conkling machine and its odor could be scented from afar. Hayes and Sherman decided in May to appoint commissions to investigate this office and the custom houses in the other large cities where similar but smaller "rings" were entrenched. The commissions reported conditions even worse than suspected. The entire New York office was filled with men whose appointments were rewards for services to Conkling's machine, and without regard for their qualifications for their places. At least 200 could be discharged, since

about all that they did was to draw their salary and pay their percentage into the Conkling treasury. Furthermore, it was found that many customs offices were accepting bribes from importers—who in this way escaped paying full duty—and were thus co-operating in smuggling. In Philadelphia conditions were not different. The naval officer and port physician, whose offices were rewards for service in



CARL SCHURZ.



*Courtesy of The New-York Historical Society,
New York City*

JOHN SHERMAN.

the Cameron political machine, lived seventy miles away, where they conducted their own personal businesses. The surveyor of the port was the editor of a newspaper in some distant part of the state, and scores of other political appointees conducted their own private businesses and appeared in Philadelphia chiefly to sign the pay roll. So was the picture in New Orleans and San Francisco.

Hayes determined to take action at once and to make New York the test case. In September, 1877, he asked Conkling's chief lieutenants, Chester A. Arthur, the collector of customs, and Alonzo B. Cornell, naval officer, to resign. These two men had treated with disdain the President's orders forbidding Federal employees from partisan activity, and had continued to use the custom house as "a centre of partisan political management." Both men refused to resign and on October 29 the President sent to the Senate in special session the names of Theodore Roosevelt—the father of the future President of that name—to be port collector, and L. Bradford Prince

*The New
York custom
house, a test
case; the break
with Conkling*

to be naval officer. The Radicals in the Senate received the President's nominations with jeers, and under Conkling's leadership promptly blocked them in committee.

Hayes resubmitted the names at the regular session of Congress in December, 1877. Conkling and his Radical friends, taking the position that the President had no right to make an appointment in any state without the approval of the Senators of his party from that state, defeated the President's nomination. In the summer of 1878 after Congress had adjourned, Hayes suspended Arthur and Cornell and put E. A. Merritt, surveyor of the Port, in Arthur's place, and Silas Burt, deputy naval officer, in Cornell's place. Once again when Congress assembled Conkling led in a furious attack upon Hayes' violation of Senatorial courtesy. After two months wrangling, the President with the cheerful aid of the Democrats, who were delighted to help create a division between the President and the Radicals, obtained the ratification of his appointments.

*A President
without a
party*

Hayes had won an even bigger victory than was generally realized, for not only had he defeated the Conkling machine and other corrupt political organizations and thereby gone far toward establishing decent government, at least for his administration, but he had weakened the power of the Radical Senatorial oligarchy that had controlled the United States since 1866. In doing this he had also lost their support. At the same time he offended the Liberal Republicans and Independents by the generous manner in which he rewarded by appointment to office the carpetbaggers who had cast the electoral votes of South Carolina, Florida, and Louisiana for him and had determined his election. Naturally, the Democrats, who never ceased to believe that Hayes and the Radicals had stolen the election from Tilden, pointed to the President's reward of these political adventurers as conclusive proof of the corrupt bargain between himself and these carpetbaggers. Hayes, then, soon found that he was a man without a party; nor could he expect aid from the Democrats except in cases where the opportunity of getting revenge upon the Radicals or of splitting the Republican Party was greater than their desire to beat the President.

THE ESTABLISHMENT OF THE GOLD STANDARD

*Sherman's
efforts to
accumulate
a gold reserve
opposed by
farmers in
South and
West*

As previously observed, the "hard money" advocates of the lame duck Congress, who comprised the majority of the Representatives and Senators of the East and those from the puppet Southern governments, enacted a law in the winter of 1875 authorizing the Secretary of the Treasury to build up a gold reserve sufficient for the resumption of specie payment on the first day of January, 1879. In the

meantime Hayes, an uncompromising supporter of the gold coin basis of currency and government credit, constantly supported John Sherman in the policy of building up a large gold reserve. But Sherman was immediately confronted with powerful opposition from the West and South. The farmers of these rural sections were burdened with debts, a large part of which was incurred during the period of cheap money, principally before the panic of 1873, when a greenback dollar ranged in value from thirty-nine cents to eighty-nine in terms of gold. Not only did the rise in the value of greenbacks lower the price of the farmer's produce and increase his actual tax load and the value of bonds which he must help redeem, but, more immediately, it increased his indebtedness. If he had borrowed \$1000 in greenbacks in 1864 when this currency was worth only thirty-nine cents on the dollar, he would have owed at that time \$390 in gold, and at the rate of ten per cent would have paid only \$39.00 interest annually. But should the resumption act be put into operation in January, 1879, his debt would be increased to \$1000 in gold and his interest to \$100 a year in gold. This situation, of course, affected the debtor class regardless of occupation, and it formed the basic and soundest principle on which the greenbackers and other cheap-money advocates opposed the restoration of the gold standard.

The majority of the members of both houses of Congress from the South and West were cheap-money advocates whether elected as Greenback Party representatives, as Republicans, or Democrats (Ch. XIII). On November 23, 1877, in accordance with this sentiment, the House of Representatives passed a bill repealing the resumption act. The Senate on June 13, 1878, after amending it, passed the House bill, but Congress adjourned before the two houses could concur. This, however, was not such a great disappointment to the inflationists, for in February they had won a partial fight for free coinage of silver in the Bland-Allison Act (below), and on May 31, 1878, Congress had set the permanent volume of greenbacks at \$346,681,000 instead of the \$300,000,000 provided for in the resumption act.

In the face of the cheap-money opposition Sherman was able by January 1, 1879, to accumulate \$133,000,000 in gold, and by December 17, 1878, two weeks before the resumption act was to go into force, greenback dollars were exchangeable for gold dollars. Once people were assured that they could exchange their paper currency for gold, they lined up at the banks and exchanged the gold that they had been hoarding for the more convenient greenbacks and bank notes. This reminds one of the Dutchman who said to the man

*Efforts of
Congress
in behalf of
cheap money*

*The
resumption
of specie
payment*

who owed him a hundred dollars: "If you haf de money I don't vant it, but if you don't haf it I do vant it."

HAYES AND THE FREE SILVER MOVEMENT

The conditions that produced the inflationist movement in Congress and the Greenback Labor Party (Ch. XIII) gave rise at the same time to another inflationist or in later terminology "reflation" movement which was to increase until the campaign of 1896. This was the demand for "free silver"—that is, the coinage of all silver bullion presented at the government mints.

*The value
ratio of gold
and silver*

Over a period of centuries the commercial value of gold and silver had remained almost fixed, approximately at the ratio of sixteen to one. That is, it had required sixteen ounces of silver to purchase one ounce of gold, or one ounce of gold would purchase sixteen ounces of silver. With the development of accurate means for determining the weight and content of coins, governments found it necessary to prescribe as nearly as possible a ratio of values between gold and silver coin that corresponded with the commercial value of gold and silver bullion. In the early days of the American Republic the ratio had been established at approximately fifteen units of silver to one of gold. This soon proved to be too low a ratio for silver, that is, it meant that the commercial value of the silver in the silver dollar was less than the commercial value of the gold in the gold dollar. Since the cheaper money always drives the dearer out, gold ceased to circulate. But since most of the money of the period before the establishment of the national banking system was depreciated paper, it in turn prevented silver from circulating. In 1837 the ratio was established at sixteen to one which undervalued silver, and this drove silver out of circulation. When the coinage act of 1873 was passed the silver dollar was worth \$1.02, and, since no bullion was being offered for coinage, no provision was made to continue the coinage of the standard silver dollar, although a trade dollar worth \$1.02 in gold was to be coined for the China market.

*The decline
of the value
of silver; the
"crime of '73"*

The failure to provide for the coinage of the standard silver dollar aroused no interest at the time, for it had been more than twenty years since such a dollar had circulated. But in 1873 new silver deposits were discovered in Nevada and elsewhere in the West, and, besides, the improved process of mining silver resulted in a cheaper and larger output of the metal. In 1871 Germany adopted the gold standard and began disposing of her silver for commercial purposes. The Scandinavian countries quickly followed her example, while the Latin Union, consisting of France, Italy, and Switzerland, placed limitations upon the coinage of silver. The result was that

there rapidly developed a surplus of silver, and the price declined steadily until by 1900 a silver dollar with the ratio of sixteen to one was worth scarcely fifty cents. The silver mine operators, as soon as the price of silver began to decline, denounced the failure to provide for the coinage of the standard silver dollar as the "crime of '73"; and the cheap money advocates of greenbacks joined with them in the cry.

While Congress, under the control of the inflationists, was working on the bills to repeal the resumption act and to increase the amount of greenbacks to \$342,000,000, it was also considering a free silver law. On December 13, 1876, the House of Representatives almost without debate passed the bill sponsored by R. B. Bland of Missouri for the free and unlimited coinage of silver at the ratio with gold of sixteen to one, but the Senate failed to act on the bill. The special session of the new Congress meeting in October, however, seized upon the measure and on November 5, 1877, the House passed the Bland bill again with very little debate, by a vote of 163 to 34. The bill provided for unlimited coinage of the standard silver dollars at the previous ratio of approximately sixteen to one. The silver dollar was to be legal tender despite the fact that it was worth less than a dollar. In the Senate the Republicans from the East, with the aid of their numerous carpetbag colleagues from the South and the hard-money Democrats, were able to pass an amendment offered by W. B. Allison of Iowa, which ordered the Secretary of the Treasury to purchase each month from two to four million dollars worth of silver at the market price, instead of purchasing all the bullion offered and coining it. The amended bill then passed the Senate and House. Hayes unhesitatingly vetoed the bill; but it was immediately passed over his veto by more than a two-thirds vote of both houses. The law was never administered as it was intended, for the silver dollars, constantly declining in commercial value, were kept at par in terms of gold by making them exchangeable for gold dollars. In this way the deflationists were victorious until the volume of money was increased by the discovery of gold in many parts of the world near the close of the century and by the issuance of bank notes and the use of bank credits.

*The Bland-
Allison Silver
Purchase Act*

THE CONTEST BETWEEN HAYES AND THE DEMOCRATS OVER THE FORCE ACTS

It will be recalled that when Hayes pledged the restoration of "peaceful self-government" to the South, he cautioned that this must not be done at the expense of the Southern Negroes. When, therefore, the House of Representatives attempted in the winter of 1879

*The efforts
to repeal the
force acts*

to repeal the force bills by attaching the repeal to an army and civil service appropriation bill, Hayes regarded the move as aimed at the political rights of the Negro. The Senate refused to accept the rider, so that the term of the Forty-fifth Congress expired on March 4 without an appropriation being made to pay either the army or the civil employees of the government. Hayes promptly called a special session of Congress to meet on March 18, 1879. In this Congress the Democrats had a majority of nineteen in the House and eight in the Senate, and there were fifteen Greenbackers unfriendly to Hayes. He, therefore, prepared to battle against a Congress even more hostile than the one that had just expired. Nor did he underestimate the struggle. Between April 29 and June 30 he vetoed five acts that Congress had passed, aiming at repealing the force acts which permitted the use at Federal elections of armed forces ranging from the marshal and his deputies to Federal troops.

Hayes' support of the principle of military intervention, a strange inconsistency

To the South and the Democrats generally the force acts—until the Supreme Court declared them unconstitutional (pp. 105 ff.)—were the means ready at hand on the election of a Radical President for a renewal of military reconstruction and carpetbagger-Negro government. The shadow of Grant who was to return to the United States after a two-year journey around the world, was casting itself over Congress already, and there was little doubt in the minds of Democrats as to what use the General would make of the force laws should he be re-elected in 1880. Hayes' action in opposing the repeal of the force acts, which had been so important in maintaining the carpetbagger governments in the South, was a surprise to the South, to the Democratic Party generally, and to the Liberal Republicans. They did not understand his motives or his contention that the President, regardless of force laws, had the constitutional right to use the troops and the marshal whenever and wherever in his judgment they were needed. That such a doctrine was a dangerous one in the hands of a man like Grant, Hayes did not seem to consider despite his own strong disapproval of the application of this doctrine during the Grant administrations.

THE EARLY MOVES TO RENOMINATE GRANT

The Stalwarts repudiate Hayes and support Grant

Although Hayes gained the support of the Radicals—now the conservative body of the Republican Party—in his fight against the repeal of the force acts, it was only temporary. If there was anything that Conkling or Blaine or Cameron hated more than Democrats it was Hayes. He was an "old woman," "a reformer," and other things less complimentary. Despite the fact that Hayes had done so much to restore the respectability of the Republican Party by

his insistence on honesty and efficiency in government, the Radicals were determined to have no more of him. The faction of Radical Republicans led by Conkling, Don Cameron, and John A. Logan called themselves Stalwarts. They opposed reforms of any kind—economic, social, and political. Hungering for the good old days, they had had their candidate selected since the very beginning of Hayes' administration. They would put U. S. Grant back in the White House. But those in the Republican Party who wanted decent government must be made to forget the eight outrageous and humiliating years of the Grant Administrations. They must be made to remember only Grant, the great military hero, who as such held the love of millions and the respect of those of all parties North and South.

The trip around the world, if not originally planned by the Stalwarts as a means of rehabilitating *General* Grant and making the public forget *President* Grant, was soon made to serve this purpose. On May 17, 1877, Grant accompanied by his wife and son, Jesse (later replaced by his son, Fred), and by his rich friend, Adolph E. Borie, embarked on the steamship *Indiana* for a trip around the world. The steamship company and his wealthy friends paid most if not all of the traveling expenses of the ex-President and his family. His way was further smoothed by the fact that all of the American ministers and consuls in the countries that he would visit were his appointees and many were his personal friends, and by the semiofficial blessings of Hayes and the Secretary of State. Throughout his journey to the principal European countries, Egypt, Turkey, the Holy Land, and South China, he was accompanied by John Russell Young, correspondent of the New York *Herald*, who published the day-to-day happenings, the royal receptions, and popular acclaim given the General. Added to the pageantry were the reports of the "interviews" between Grant and Young, in which Grant's monosyllables were transformed into statesmanlike dissertations on government and society. The newspapers throughout the country began carrying parts or all of Young's reports copied from the *Herald*, and soon these articles were assembled in a two-volume book with scores of illustrations.

As early as 1878 the Republican state convention of Illinois endorsed him as the candidate for the Presidency in 1880; and very rapidly the hue and cry of "Grant for President" was taken up by politicians and newspapers. The argument was that the country needed a strong man to restore order in the South—that is renew military rule—and to prevent the outbreak of strikes and the attendant chaos such as occurred in 1877. Indeed, said these Stalwarts, a

*Grant's
world tour
used to keep
him before
the public*

*The Stalwarts
demand a
"strong man"*

military leader was needed to save American civilization from destruction by the hands of labor unions led by foreign anarchists and socialists and from the "Cossacks of the South."

*Grant
endorsed by
Republican
machines in
Pennsylvania,
New York,
and Illinois*

Grant arrived in San Francisco in September, 1879, after his world tour of more than two years, and his reception there and on his journey across the country to Philadelphia was such as only royalty usually is accorded. Early in 1880 the Pennsylvania Republican committee under control of Don Cameron instructed its delegates to the forthcoming national convention, despite a large minority opposition, to vote as a unit for Grant. The New York convention did not adopt the unit rule in so many words, but it did so in essence by instructing the delegates to use their "united efforts" to obtain Grant's nomination. Illinois under Logan's dominance instructed its delegates to vote as a unit for Grant.

THE CHICAGO CONVENTION

*The attempt
of the
Stalwarts to
nominate
Grant by
the adoption
of the unit
rule*

Don Cameron, Chairman of the National Republican Committee, and Conkling attempted in the nominating convention that met June 2, 1880, at Chicago to have the unit rule adopted, by which the majority in a state delegation cast the entire vote for the state. The unit rule would have resulted in Grant's nomination on the first ballot, for he would in this way gain the entire delegation from the large states where the majority in each delegation was pledged to him. But the Blaine supporters and those of Sherman led by Garfield frustrated all efforts to adopt the unit rule; and to add further to the discomfiture of the Stalwarts, they elected as permanent chairman George F. Hoar, Senator from Massachusetts, an anti-Grant delegate.

*The
platform*

Before voting on candidates the convention adopted a vague platform on which any candidate could stand. It recommended legislation favorable to veterans and the enactment of laws for restricting Chinese immigration,¹ for maintaining a tariff that would protect

¹ In 1868 Anson Burlingame, who had been American minister to China since 1861, returned to the United States as head of a Chinese mission. The same year a convention between the United States and China, known as the Burlingame Treaty, was adopted, which permitted unrestricted immigration of Chinese to the United States. This in effect gave legal sanction to the large stream of Chinese immigrants who were flocking into California as laborers on the railway construction gangs. Sentiment especially on the Pacific coast turned strongly against Chinese immigration; and in 1879 Congress passed a bill forbidding any ship to bring more than fifteen Chinese to the United States on one voyage. Hayes vetoed the bill as being a violation of the Burlingame Treaty; but he obtained another treaty with China the next year that gave the United States the right to regulate, limit, or suspend but not to prohibit Chinese immigration. Congress passed a bill in 1882 suspending immigration for twenty years and President Arthur vetoed it as being virtually a prohibition. Congress then passed another bill, which Arthur accepted, suspending immigration for ten years. From that time on Chinese immigration was virtually prohibited by legislation.

American labor, and for civil service reform. It was against the strongest opposition that a plank was adopted favoring civil service reform. Webster Flanagan of Texas expressed the opposition to civil service reform when he wanted to know "What are we up here for" if it is not to prepare to distribute the spoils of victory?

Conkling nominated Grant in a speech opening with the lines:

When asked what state he hails from
Our sole reply should be
He comes from Appomattox
And its famous apple tree.

*The several
candidates
placed before
the conven-
tion; Garfield
nominated*

It was a "bloody-shirt" speech meant to cause men to forget the real issues by stirring up the bitter animosities of Civil War and reconstruction. Garfield, who had led in the defeat of the unit rule and who had successfully opposed other attempts of the Conkling-Cameron-Logan faction to bully the convention, presented John Sherman to the convention in a speech of great eloquence. James J. Joy, delegate from Michigan, presented Blaine amidst frenzied cheering. Had the unit rule prevailed Grant would have had 389 votes in his pocket to begin with, which would have given him the nomination on the first ballot since 379 were sufficient. As it was he received only 304, while Blaine received 284, and Sherman 93; the remainder of the votes were scattered among the minor candidates. This relative strength was maintained until the thirty-sixth ballot when the forces of Blaine and Sherman threw their votes to James A. Garfield and made him the nominee. Then to appease the disgruntled Conkling and his Stalwart allies, the convention blithely nominated for Vice-President the New York Senator's chief political henchman, Chester A. Arthur.

Garfield, like Hayes, was nominated as a result of the enmity between Conkling and Blaine. His nomination was well received despite his early unwise connection with the *Crédit Mobilier* (pp. 76 ff.). He was, in fact, not unlike Hayes in his attitude toward government. Indeed, he had been the leader of the Hayes forces in Congress. He was, however, more of the politician than Hayes, more pliant and less inclined to stand up against the powerful leaders of his party in and out of Congress. Perhaps the most unfortunate thing about him was his friendship with James G. Blaine.

*Garfield's
nomination
the result
of enmity
between
Conkling
and Blaine*

THE DEMOCRATIC CONVENTION

The Democratic convention meeting in Cincinnati, June 22, 1880, had less difficulty than the Republicans in nominating a candidate. Tilden deserved the nomination and his party would have liked to have given it to him so that he might prove by election

*The
nomination
of Hancock*

that he had been defrauded of the Presidency in 1876; but he was too old and ill to become a candidate. The convention on the second day nominated Winfield Scott Hancock, who from the first had been the strongest candidate. Hancock was a professional soldier with a brilliant record. He had proved himself an honest and able military governor of Louisiana during reconstruction, and this had won him the respect and gratitude of the South. He was indeed a very appropriate choice. His military record would make the Democratic Party less vulnerable to the Republican charges of being a Copperhead and rebel organization. Although Hancock was derisively pictured as "a good man weighing two hundred and fifty pounds," he had real ability and sound judgment, possessed a strong, honest character, and would doubtless have made a good President. W. H. English of Indiana was chosen as candidate for Vice-President.

THE CAMPAIGN OF 1880

The Democratic and Republican platforms very similar; many real issues ignored

The Democratic platform denounced the choice of Hayes in 1877 as fraudulent and advocated restriction of Chinese immigration, civil service reform, and a tariff for revenue only. Thus the platforms of the two major parties were similar on civil service reform and on Chinese immigration; but on the tariff they were miles apart. This could have been, as it was to be in 1888, the issue of the campaign, but Hancock, being from a protectionist state, chose to relegate it to an unimportant position by remarking that the tariff was a "local" affair. Other real issues of the day, such as an increase in the volume of greenbacks, free silver, the regulation of the great monopolies, the abuses of the railroads, and the proper disposition of the public domain, were largely ignored by the two major parties. Instead, they were left to the minor parties, especially the Greenback Labor Party, which had polled a million votes in 1878, had elected fifteen Congressmen, influenced the election of many other officers, and now nominated James B. Weaver for President.

Campaign issue: Republicans or Democrats, Garfield or Hancock

The campaign issues were soon reduced to two: first, whether the Republican Party or the Democratic Party should control the government; and second, whether Garfield or Hancock would be the most suitable President. It was in fact the difference between tweedledee and tweedledum. In proof of Republican fitness and Democratic unworthiness, Blaine, Conkling, and other Radicals, and even Garfield to some extent, waved the bloody shirt and reminded the country that the Northern Democrats had been Copperheads and the Southern Democrats rebels and that therefore they should

not be trusted. The Democrats on their part attacked the corrupt administration under Grant and the election fraud of 1876-77 in proof of Republican unfitness. As to the relative merits of the two candidates, the Democrats aired Garfield's connection with the Crédit Mobilier scandal, and the acceptance of a \$5000 fee in a pavement contract for the District of Columbia while serving on the committee having jurisdiction over the matter. In turn the Republicans attempted to besmirch Hancock's character, going to the length of accusing him of cowardice in battle.

The Republicans won by a narrow margin and, by their own accounts, largely through the liberal purchase—with funds wrung from Federal employees and wealthy manufacturers—of votes in the doubtful states like Indiana and New York. In fact, Stephen Dorsey, a member of the National Republican Committee, went into Indiana with \$100,000, which was placed, according to his statement, where it would do the most good. The Republicans had also gained control by a very narrow margin of both houses of Congress.



*Courtesy of The New-York Historical Society,
New York City*

JAMES A. GARFIELD.

*Republican
victory*

THE FIGHT OVER PATRONAGE

After their successful campaign against the "forces of darkness" embodied in the Democratic Party, the Stalwart politicians were eager to get down to what to them was the real issue—namely, the division of spoils. The Stalwarts led by Conkling must be given a free hand in appointments or they would attempt to wreck Garfield's administration just as they had attempted to ruin that of Hayes. The Blaine factions were just as interested in spoils as Conkling's followers, and were in every respect Stalwarts; but because they made weak gestures in the direction of civil service reform they were called Half-Breeds—half Stalwart and half reformer. They too wanted a free hand. Here was indeed trouble for Garfield. The hatred between these egotistical men was of long standing. In 1866

*The feud
between
Conkling
and Blaine
endangers
Garfield's
administration*

in a congressional debate, Blaine had said that Conkling compared to Henry Winter Davis as "Hyperion to a satyr, Thersites to Hercules, mud to marble, dunghill to a diamond, a singed cat to a Bengal tiger, a whining puppy to a roaring lion." But not content with this crude insult he had aptly pointed out Conkling's mannerisms. He sneeringly spoke of his "haughty disdain, his grandiloquent swell, his majestic, supereminent, overpowering, turkey gobbler strut." Garfield became quickly involved in this feud by appointing Blaine Secretary of State.

*Garfield
under Blaine's
influence
appoints
Conkling's
enemies to
office in
New York*

Garfield's attitudes toward public affairs, as frequently expressed, seemed not unlike those of Hayes, but he soon fell under the dominance of his Secretary of State so that in almost all things he followed Blaine's advice. He was a good man with an infirm will and unstable judgment. In making up his Cabinet the only recognition given to the Conkling faction was the appointment of Thomas James—who, although friendly to Conkling, was not his henchman—as Postmaster General. Blaine virtually controlled the appointment of the others. Garfield, however, made some gestures toward consulting Conkling about appointments in New York. Just before his inauguration he had assured Conkling that he would advise with him before making those appointments; yet two days later he sent the name of William H. Robertson to the Senate for collector of the customs at the Port of New York. Robertson was an uncompromising enemy of Conkling. Thus Garfield, apparently guided by Blaine, declared war on Conkling.

*The fight
between
Garfield and
Conkling over
the New York
patronage*

Naturally Conkling concluded that Garfield had been overpersuaded by Blaine to send the names of Robertson and a group of others to the Senate for confirmation. Conkling and Thomas Platt, junior Senator from New York, Arthur, and Postmaster General James sent a joint protest to Garfield, which accused Garfield of violating his solemn agreement to consult with them in selecting nominees to Federal office in New York. In the Senate Conkling and his colleagues waged a bitter fight against the confirmation of Robertson. Garfield, urged on by Blaine, announced that this would be no "rose water war"; that, while he did not wish a battle, anyone seeking a battle would find him "at home." Conkling went to desperate extremes in his threats, for he let it be known that, if Robertson's name were confirmed as collector at New York, he and Platt would resign, and that he would carry along with him Postmaster General James and Attorney General Wayne MacVeagh. Blaine, however, expressed the belief that Conkling would not "saw off the limb of a tree when he is on the other end." Garfield, on May 5, 1881, withdrew all the names before the Senate and returned

Robertson's. This would reduce the issue to one man, and it soon became clear that the Senate would confirm Robertson's appointment.

Seeing the handwriting on the wall, Conkling resigned from the Senate on May 14. His colleague, Thomas Platt, likewise resigned in protest against Garfield's treatment of Conkling and thus gained the nickname "me too Platt." The two hastened to Albany to lay their case before the state legislature, which, they were positive, would send them back to the Senate to fight for the right of dictating appointments in their state. Even Vice-President Arthur went to Albany to persuade reluctant legislators to re-elect Conkling and Platt. Conkling seemed to have actually believed that there would be a revolution in his behalf. Certainly the Senate could not proceed without him. But no revolution came and the Senate did well without him; for the Republican legislature refused to re-elect either Conkling or Platt. Garfield and Blaine swung enough votes, when added to those of the Democrats, to defeat Conkling and his young follower, Platt. This was the political suicide of Conkling, although Platt soon recovered and gained control of the New York political machine. The Senate immediately confirmed Robertson and the other appointments, and on the face of things Garfield had won even a greater victory over Conkling than had Hayes. At bottom, however, it was Blaine's triumph over Conkling.

THE STAR ROUTE FRAUDS

While the bitter struggle over the appointment of Robertson and other officers in New York was going on, rumors of a scandal in the Post Office Department were circulating. These rumors were to the effect that Stephen W. Dorsey, Secretary of the Republican National Committee, and several others were in collusion with Thomas J. Brady, Second Assistant Postmaster General, in defrauding the government by the manipulation of certain Western star mail routes—called star routes because they were indicated on the route register of the Post Office by a star. Postmaster General James, assisted by Attorney General MacVeagh, promptly began an investigation, and the situation was found to be as bad as rumor had painted it. It was revealed that Brady and Dorsey—who had doubtless used some of this money in carrying Indiana—were in collusion with the contractors of at least ninety-three routes, and that the government had been defrauded of millions of dollars. Brady was accused of manipulating these mail contracts and dividing the money with the contractors and with Dorsey and his friends. Brady resigned; but he and Dorsey and the latter's brother and brother-

*Assistant
Postmaster
General Brady
and others
involved*

in-law and the carpetbagger, W. P. Kellogg, and others, were indicted for conspiracy to defraud the government. In the meantime Brady attempted to blackmail Garfield and gain the President's assistance by publishing a letter from the President to Congressman J. Hubbell written during the campaign, which might easily be interpreted as approving Brady's transactions. In part the letter stated: "Please say to Brady that I hope he will give us all the assistance possible. I think he can help effectively." Brady promised to reveal more if the case against him were not dropped. Garfield, however, was killed before the trial began, and if there were any connection between him and the star route frauds no more letters were brought out to prove it. The trials of Brady, Dorsey, and the others finally came to an end in 1883-84; and despite the fact that Kellogg and M. C. Resdell, Dorsey's former secretary, confessed and revealed the whole scheme, all of the guilty principals eventually escaped punishment.

THE DEATH OF GARFIELD AND THE SUCCESSION OF ARTHUR

*The
Stalwart,
Guiteau,
assassinates
Garfield*

The trials had scarcely got under way before a disappointed office seeker, Charles Guiteau, shot President Garfield (July 2, 1881). Immediately, Guiteau was seized by a nearby policeman, who demanded to know why he had committed the deed, and Guiteau replied proudly, "I am a Stalwart and want Arthur for President." The President lingered for many weeks and died September 19, and Guiteau's plan to make Arthur President was realized. While on trial Guiteau would shout boastfully that, now with Arthur President, the Stalwarts would come into fat offices; and he demanded that those who thus benefited by the death of Garfield should send in contributions to aid in the defense. "If they are afraid to do it over their own names, let them do it on the sly," he suggested. "But," said the repulsive brute, "do it they must, or I will call names." The egotistical Guiteau had a wonderful time as the spotlight played on him; but his attempt to prove himself insane proved futile and he was condemned and hanged on the appointed day.

*Arthur's
succession to
the Presidency
considered
a national
calamity*

It is hardly necessary to say that all who believed in decent government were cast in the deepest gloom when Chester A. Arthur succeeded to the Presidency. Hayes viewed Arthur's succession to the Presidency as a "national calamity," and a friend of Arthur remarked, "Chet Arthur! President of the United States! Good God!" Certainly there was no reason to suppose that Arthur would cease to be the henchman of Conkling. He had never in his political career been more than a glorified ward heeler in the Conkling machine of New York. After becoming Vice-President he continued to think solely in terms of New York politics and the spoils of office.

He had lobbied with the New York legislature for the return of Conkling and Platt to the United States Senate after those two had resigned in protest against Garfield's appointment of Robertson and others without consulting them. In short, he had conducted himself in an unseemly way and in opposition to the President. Naturally it was to be expected that he would rid himself of the friends of Blaine in the Cabinet and in the government generally, and that he would put the Stalwarts in office.

OFFICIAL APPOINTMENTS AND CIVIL SERVICE

Arthur's reaction to the great responsibilities suddenly thrust upon him was unexpected; for he possessed another side to his character besides that of an unscrupulous politician. Those who now for the first time became concerned with Arthur's personal history discovered that he was the son of a Baptist minister, he had attended Union College, he was a member of Phi Beta Kappa, and he had been a lawyer employed in the defence of fugitive slaves. Instead of dismissing his Cabinet promptly and appointing Stalwarts as had been expected, he replaced the members cautiously with men of moderate views and proven ability. He even appointed as Secretary of the Navy the "Half-Breed," Wilbur E. Chandler, Blaine's campaign manager; and he virtually cut himself off from Conkling and Platt by retaining Robertson as collector of the Port of New York and by permitting other appointive officers to serve out their terms instead of replacing them with Stalwarts.

The most unexpected move on the part of Arthur, however, was his championship of a civil service system. The assassination of Garfield by a disappointed Stalwart so shocked the public that reform was demanded. E. L. Godkin said that the crime "acted on public opinion very like a spark on a powder magazine." Senator George H.

*Arthur reveals
another side
of his
character*



*Courtesy of The New-York Historical Society,
New York City*

CHESTER A. ARTHUR.

*Arthur
supports
civil service
reform*

Pendleton, the sponsor of the civil service bill, presently to be discussed, expressed a similar view. "The offices of the government are trusts for the people," he said, and "the 'spoils system' must be killed or it will kill the republic." The old civil service reformers, among whom were Eaton, Schurz, and Curtis of the Grant era, met in August, 1881, and organized the National Civil Service Reform League, which set about drafting a civil service bill. This bill was introduced by Senator Pendleton in the fall of 1881, and Arthur, in his first message and in the succeeding ones during the next year, gave it his endorsement.

The Republicans dally with reform; their defeat in the election of 1882

The Republican majority in Congress, not correctly gauging the intensity of public opinion on the subject, dallied with the Pendleton civil service bill throughout 1881 and 1882. Indeed, despite Arthur's assurance to Federal officeholders that they need not make contributions to the Republican Party, Jay Hubbell and his assistants assessed and blackmailed them into paying a percentage of their earnings into the campaign chest for the election of 1882. The storm that had been held back by the Hayes interval of honest government now broke. In the election of 1882 large numbers of Republicans either stayed away from the polls or voted the Democratic ticket, with the result that New York, Pennsylvania, Connecticut, Ohio, and Indiana were swept by the Democrats, who gained control by a majority of about eighty of the Lower House of Congress and were evenly balanced in the Senate. Of great significance were the state elections in Pennsylvania and New York. In Pennsylvania the Democrats and independent Republicans combined to defeat the Cameron machine and to elect the reform leader, Robert E. Pattison, governor of the state; and in New York, Grover Cleveland, the mayor of Buffalo, who had just cleaned out that city, defeated the Conkling machine and Tammany Hall, and was elected governor by a majority of almost 200,000 over his Republican opponent, Charles J. Folger, Arthur's Secretary of the Treasury.

The passage of the Pendleton Bill

The Republicans, now that they were in the minority, suddenly became interested in civil service reform in order that they might retain many appointive officials in office. On the other hand, the Democrats who now saw plainly that they might win the Presidential election, were not so enthusiastic. The best reform, said a Democratic Senator, was to elect a good Democratic President in 1884, "then turn on the hose and give him a good hickory broom and tell him to sweep the dirt away." But public opinion coerced both the Democrats and Republicans into support of the Pendleton Bill, and in January, 1883, the bill was permitted to pass by members

absenting themselves or failing to vote. Arthur signed the bill on January 16, 1883.

The Pendleton Act, as it was called, provided for the appointment by the President of three civil service commissioners, "not more than two of whom shall be adherents of the same party." The commissioners were, with the approval of the President, to arrange in classes the offices placed under the civil service, and hold competitive examinations in the preparation of lists of persons eligible for appointment. No public officer should be under obligation to make political contributions or perform party service. Customs districts, post offices, and bureaus at Washington, where as many as fifty persons were employed, were placed under civil service rules, but the President was authorized by this act and that of 1871 (above) to place other executive offices under the civil service classification.

*Provisions
of the
Pendleton
Act*

Arthur appointed the veteran civil service advocate, Dorman B. Eaton, as chairman of the commission. Eaton at the request of President Hayes had carefully investigated the civil service system of Great Britain and had written a book on the subject. The commission, under this earnest advocate of decent government, prepared the rules and graded the offices, and by the end of the first year about 14,000 were under classified civil service. Near the end of his administration, when he was about to be succeeded by Cleveland, a Democrat, Arthur (in order to entrench his own appointees) extended the classified services so that 2000 or more were added. When Cleveland was succeeded by Harrison, Cleveland extended the classified lists for the same reason and so it continued until by 1933—when the New Deal entailed such an increase of officials—the great majority of executive appointments were under civil service.

*The work
of the
civil service
commission*

THE TARIFF

It will be recalled that the Democratic platform of 1880 demanded a tariff for revenue only, and that the Republican platform vaguely suggested some kind of tariff reform. However, the election of that year failed to make a major issue of the tariff and the matter was left in abeyance for some time. Economists and financial experts without regard to party, such as David Wells (pp. 69 ff.), William Graham Sumner of Yale, and F. W. Taussig of Harvard, most of the Democrats of the South and West, and even a majority of the Republicans from those regions were opposed to a high tariff on the grounds that it taxed the many for the benefit of the few, and that it injured foreign trade. Another evil result of an immediate and tangible nature was the surplus. Each year more than

*Some evil
effects of
the tariff*

\$100,000,000 in excess of the needs of government was brought into the treasury. The government could not afford to permit this annual surplus to accumulate in the treasury, for it would be an irresistible temptation for the spoilsmen and "pork barrel artists," and, perhaps, of more importance from the point of view of public finance, it might, at least theoretically, withdraw all money from circulation. To prevent such contingencies the Treasury had been paying off the national debt by the purchase of government bonds in the open market; but even this operation would presently play out since all bonds not held by national banks as a backing for their currency would soon be purchased.

*The tariff
commission
recommends
lower duties*

In his first message to Congress Arthur expressed concern over this surplus and urged that the internal revenue except on liquor and tobacco be repealed and the tariff revised so as to produce less revenue. He recommended the creation of a nonpolitical tariff commission, such as that provided for in a bill passed by the Senate the year before, to study the tariff and report back to Congress. In the following spring (1882) Congress, faced with an election, enacted a law providing for such a commission consisting of men to be appointed by the President. The committee was comprised entirely of protectionists. Its president was John L. Hayes, Secretary of the National Association of Wool Manufacturers, and three others were directly connected with a protected industry. Those interested in a low tariff or a more scientific tariff looked upon the commission as if a pack of wolves had been appointed to guard the sheep. Therefore, they were greatly surprised when this group of men, after a prolonged and careful study, recommended an average reduction of duties of twenty per cent or more. It is probable that the sweeping Democratic victories in the state and congressional elections of 1882 had considerable bearing on the committee report, for the Democrats had in some localities made an issue of the tariff. The New York Democratic platform, although not specifically mentioning the tariff, denounced the laws that "overtaxed" the people and which enabled "the powerful to oppress the weak," and asserted that under these unjust laws "the rich were getting richer and the poor poorer." In Massachusetts the Democratic Party demanded a "thorough and immediate reform of the tariff." Raw materials and the necessities of life should be put on the free list. In Illinois the Democrats contended that the tariff was the mother of the great monopolies growing up at the time. Elsewhere the tariff issue was raised, even by Republicans.

*The mongrel
tariff*

The promptness of Congress in working on a new tariff measure was the result of the election; for the Republicans wished to gain the

credit for reducing the tariff and especially to forestall a drastic reduction by the succeeding Democratic Congress. Using the report of the tariff commission as a basis, the Senate framed a tariff measure providing for much lower duties and attached it to a bill already passed by the House for the reduction of internal revenue. In the meantime the House had passed its own tariff bill which differed considerably from that of the Senate, thus making it necessary to create a conference committee of both houses to reach a compromise agreement. This committee was organized by the leaders of the Republican majority so as to squelch the Democrats, with the results that they refused to serve. Under pressure from lobbies representing all the protected interests the Republicans put their champions of protection on the committee, among whom were "Pig Iron" Kelley, William McKinley, Justin S. Morrill, Nelson W. Aldrich, and John Sherman. The resulting bill, which reduced the internal revenue but left the general level of the tariff virtually unchanged, was passed by a close vote on the last day of the existence of this Congress. It deserved the title, the "mongrel tariff," applied to it first by Miss Ida M. Tarbell, for it was sired by every protected industry of importance in the country.

By its failure to reduce the tariff, the Republican Party was at last coming out openly for a protective tariff as the old Whigs had prior to the Civil War, while the Democrats, with the exception of a protectionist element led by Samuel J. Randall of Pennsylvania, were moving toward the championship of a low tariff as before the Civil War. The day was slowly dawning when the Republican Party could obtain votes on real issues instead of by appeal to sectional prejudices.

*The Repub-
lican Party
openly
champions
the protective
tariff*

CHAPTER XI

Grover Cleveland, "An Ugly-Honest Man"

THE PRESIDENTIAL CAMPAIGN OF 1884

*The issues
of the
campaign
of 1884*

THE congressional and Presidential campaign of 1884 would inevitably concern itself with those issues which had caused the defeat of the Republicans in 1882. The tariff and, above all, honest conduct of government, would be major issues even though the Republicans should nominate Hayes or a man of his type. Whether the Democratic "reformers" were sincere or not did not matter. The long record of bad government and corruption in high places under the Republicans would be too good a target to ignore.

*The several
Republican
candidates*

The Republicans logically could have nominated Chester Arthur who desired to be President in his own right; for despite Arthur's tendency to rig the Federal offices not covered by the civil service law with petty spoilsmen who could be depended upon to support him, it could be pointed out that he had favored the Pendleton civil service act, that he had stood for tariff reform, and that he had vetoed pork barrel legislation and the Chinese exclusion act. But he was not acceptable either to the Stalwarts or to the Liberals because of his civil service policy. He had gone too far in his civil service reforms to please the Stalwarts and not far enough to please the Liberals. Finally, the defeat by Grover Cleveland in the New York gubernatorial race of Secretary of the Treasury William J. Folger, whom the President had actively supported, was convincing evidence that Arthur could not carry his own state and would fail of election. The independents wanted to nominate Senator George F. Edmunds of Vermont who, unfortunately, fitted well the description of "human glacier." Then there was John Sherman, but Sherman too, despite his eagerness for the Presidency, had a heavy frost over his personality. The strongest candidate of the Party was James Gillespie Blaine, who quite aptly was characterized as "the magnetic man from Maine."

*The
Republicans
nominate
Blaine and
Logan*

When the Republican convention met in Chicago on June 3, 1884, Blaine's friends were in control of the national committee. Their first move was to nominate the former carpetbag Senator of Arkansas, Powell Clayton, for temporary chairman of the conven-

tion. As was anticipated, this enabled Clayton to lead the Arkansas delegation away from Arthur to Blaine's support and influenced those from other Southern States. The supporters of Sherman, Edmunds, and Arthur, constituting a majority of the convention, under the leadership of Theodore Roosevelt and Henry Cabot Lodge countered this move by electing John R. Lynch, Negro Republican from Mississippi, as temporary chairman, and ex-Senator John B. Henderson of Missouri, as permanent chairman. This, however, was the end of the triumph of Blaine's enemies. The Blaine clique crowded the convention hall thousands strong and led by brass bands marched up and down the aisles, screaming, whistling, stamping the floor, surrounding the doubtful or hostile state delegations whom they confused or intimidated, and crying down those who would speak in favor of another candidate. Under such circumstances all opposition was overborne or ignored, and the convention conducting itself like "a mass meeting of maniacs" nominated Blaine for President and John A. Logan for Vice-President.

Blaine's nomination had thus been accomplished by his enthusiastic followers trampling—almost literally—roughshod over minority groups in his party, whom no wise candidate or party could safely ignore. The Liberal Republicans led by such men as George William Curtis, Carl Schurz, Edwin L. Godkin, editor of the *New York Nation* and *New York Evening Post*, and Charles Francis Adams, Jr., repudiated Blaine unconditionally. They formed virtually a third party and were known as Independents or Mugwumps. The platform committee further weakened the Republican chances by treating with contempt the representative and petition of the temperance forces. Miss Frances E. Willard, head of the Woman's Christian Temperance Union, presented a petition signed by 20,000 persons asking that the convention support the temperance movement. The committee had no time to spare for Miss Willard, but plenty to give to a delegation of distillers and brewers who came in soon afterward. Some members of the committee showed the petition to them, facetiously asking what to do with it. The reply, so it was later reported, was "kick it under the table." Later, it was found under the table covered with filth, and the platform had no declaration on the temperance question. Miss Willard's group, thoroughly resentful, then persuaded John P. St. John, the popular Republican ex-governor of Kansas and strong prohibitionist, to head the Prohibition Party. Setting up headquarters in New York, St. John and his organization went after Republican blood.

The Republicans adopted a platform filled with platitudes and pointed with pride to its record of patriotism and public service.

*Blaine's
nomination
antagonizes
the minority
element in
his party*

*The
Republican
platform*

But it took two decided steps forward: it declared unequivocally for a protective tariff and advocated a law regulating interstate commerce.

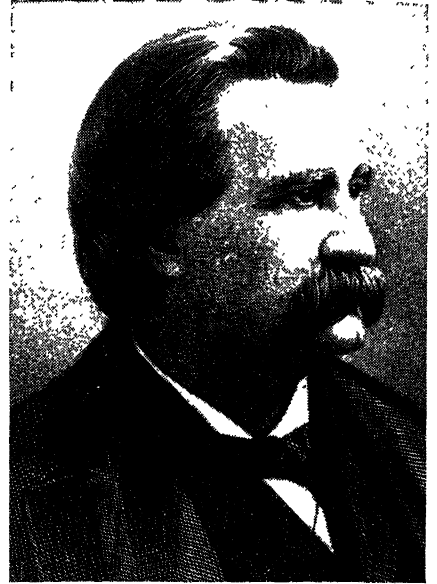
The platform was unimportant, however, compared with the candidate. To those who believed in him—and to many who did

*Blaine's
fascinating
personality*



*Courtesy of The New-York Historical Society,
New York City*

JAMES G. BLAINE.



Courtesy of The New York Public Library

JOHN A. LOGAN.

not—Blaine was fascinating. Brilliant in conversation and on the platform, emotional, yet calculating and lacking in sincerity, and accused on the basis of much sound evidence of downright dishonesty, he was one of the most powerful and dangerous political leaders America has ever had. From the end of the Civil War until his death, Blaine, more than any other leader, by his constant waving of the bloody shirt perpetuated sectional animosity and national disunity, and by his never ceasing belligerence toward Great Britain, for the purpose of winning the Irish-American vote, kept our international affairs near the boiling point.

Blaine was exceptionally vulnerable as a candidate, for his name had been associated with many official scandals during his political career. His railroad operations, revealed in the Mulligan letters and in the congressional investigation that brought out the Mulligan letters, were the most vulnerable parts of his public life. Perhaps

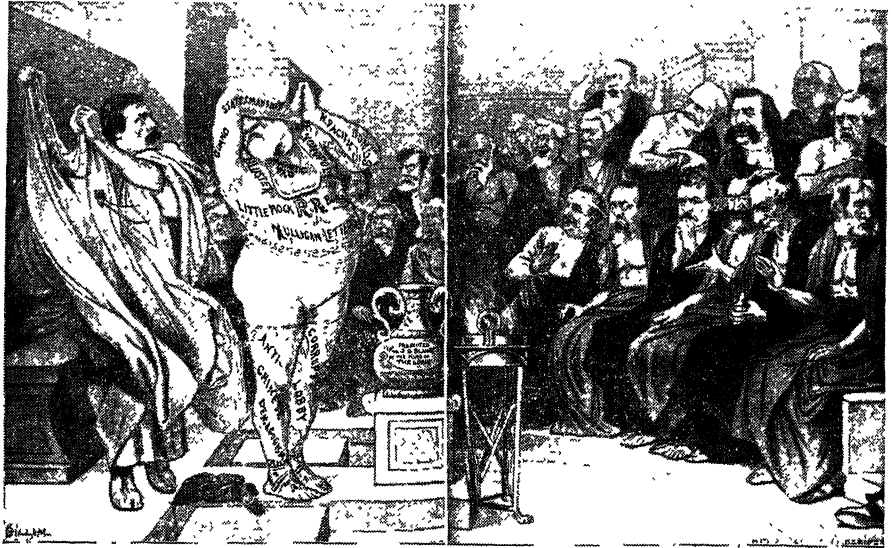
*The revelations of the
Mulligan letters in 1876*

they as much as the enmity of the Conkling faction had kept Blaine from the Republican nomination in 1876 and 1880. In the spring of 1876, just when Blaine as candidate for the Republican nomination for the Presidency was warming up for the campaign, some unsympathetic Democrats, Independents, and Conkling followers released rumors about Blaine's connection with railroad transactions. Dark hints about letters that would ruin Blaine were freely circulated, and he denounced these rumors as lies—the invention of Copperheads and rebels. But some unkind persons had evidently been in touch with James Mulligan, the possessor of the allegedly ruinous letters, and the rumors grew larger and more specific until in May (1876) a congressional investigation was instituted. The committee promptly summoned Mulligan to testify and the latter came with a package of letters, letters written by James G. Blaine to Warren Fisher, Jr., of Boston, who was interested in the Fort Smith and Little Rock Railroad. Blaine, who had requested that such be done, thought his letters to Fisher had been destroyed, and he was greatly perturbed when he realized that Mulligan could lay them before the committee. Blaine obtained an adjournment until the next day; and that night he boldly walked into Mulligan's room and asked to see the letters. Mulligan stupidly complied, and Blaine pocketed them and refused to return them. Blaine, contending that the letters dealt with personal matters, likewise refused to submit the letters to the congressional committee for examination. But such action on his part seemed to admit guilt, and one day he dramatically arose in the House and read carefully selected portions of the letters, interspersing each portion with bursts of oratory and acting so that, instead of a man guilty of corruption, he appeared to be a noble patriot who in an effort to win an honest support for his impoverished family was being persecuted by rebel brigadiers, Copperheads, and political enemies. He was even able to gain from the chairman of the investigating committee an admission that certain evidence had not been presented, and he promptly contended that this evidence would have exonerated him. To Blaine's friends, all that he said was true, and they were satisfied with his action when he put an end to the investigation by refusing the committee possession of the letters and by having a sunstroke. The excerpts read by Blaine and recorded in the *Congressional Record* were, however, when stripped of the magic of Blaine's oratory and interpolations, very damaging in cold print.

In 1884 the Mulligan letters were the chief weapon used against Blaine. George W. Curtis ran them in weekly installments in *Harpers Weekly* for months, and when he was about through with

The Mulligan letters the chief weapon used against Blaine in 1884

all available letters, Mulligan and Fisher brought in more. Of these the most devastating was one which he had written for Fisher to sign and make public as his own, and which would help clear Blaine of the charges against him. The letter to Fisher in which this was enclosed had been marked "confidential," and had the precautionary words "Burn this letter" written on it. Fisher had not made public



From Puck, June 4, 1884

PHRYNE BEFORE THE CHICAGO TRIBUNAL.

Ardent Advocate: "Now, gentlemen, don't make any mistake in our decision. Here's Purity and Magnetism for you. Can't be beat!"

Mr. Whitelaw Reid, of the New York Tribune, is presenting James G. Blaine to the Republican's convention of 1884, Chicago. Mr. Roosevelt as chairman of the powerful New York delegation, is seen in the front row, the fourth figure from the reader's right. On Mr. Roosevelt's left, in their order, appear Carl Schurz, Senator Evarts, and George William Curtis. Immediately behind Mr. Roosevelt is John Sherman, with the white hair, while next to Sherman is John A. Logan, with his black hair and heavy mustache. Other notable delegates are scattered about in the group.

this letter of exoneration nor had he burned the covering letter. Now both were published. To make matters worse, it was discovered from the investigating committee records that Blaine had actually used in his defense a draft of the letter Fisher had been asked to sign in 1876; that is, it went into the committee records as a letter from Fisher to Blaine. Many other papers and periodicals copied the Mulligan letters and the cartoonists had a field day. Thomas

Nast, who represented Blaine as the magnetic man too weighty for the Republican elephant to carry, was now joined in *Puck* by Gil- lam, who caricatured Blaine as the "tattooed man," completely covered with tattooed inscriptions of all the important scandals with which his name had been associated, such as "Northern Pacific Bonds," "The Mulligan Letters," and "Little Rock." To Blaine's enthusiastic supporters he was still "The Plumed Knight," but to the Independent Republicans, now called Mugwumps, and the Democrats, he was the "tattooed man."

What if any corrupt dealings did the Mulligan letters seem to reveal to Blaine's opponents? First, that Blaine had used his position as Speaker of the House of Representatives to obtain the passage of a bill renewing a large grant of public land to the Fort Smith and Arkansas Railroad. Second, that three months later he had written Warren Fisher of Boston, a representative of the railroad, asking to be permitted to share in some profitable way in the enterprise. Blaine on receiving a favorable response, assured Fisher that "I do not feel that I shall prove a dead-head in the enterprise if I once embark on it. I see various channels in which I know I can be useful." Third, that he had sold a considerable amount of securities to his friends, and had received a "handsome commission." Fourth, that a portion of the bonds which he had obtained as commission, or had purchased cheaply, were purchased by the Union Pacific officials at a great profit to Blaine at the time when he was Speaker of the House and thus in position to do great injury or render great aid to the railroad. Finally, that he had obtained, through his position, a share in the Northern Pacific Railroad pool from which he realized considerable profit.

*Corrupt
dealings
revealed in
the Mulligan
letters*

The Democrats had only one strong candidate, Grover Cleveland; but Cleveland as governor of New York had thoroughly offended John Kelly, the Tammany boss, and other Democratic machine politicians whose main objectives were office and graft. Kelly, whose Tammany Hall organization had suffered severely from malnutrition during Cleveland's administration as governor, warned that it would be suicidal for the Democratic Party to nominate Cleveland for President. Cleveland could not carry his own state, and without New York the Democrats could not win. But the Democratic convention, which met on July 8 in the building where the Republicans had so recently nominated Blaine, in the face of Tammany opposition nominated Cleveland for President and Thomas A. Hendricks for Vice-President.

*Cleveland
and Hendricks
nominated by
the Democrats*

Grover Cleveland (1837-1908) was born in Caldwell, New Jersey, where his father was pastor of the Presbyterian Church. Later

*Cleveland's
early life*

the family moved to Fayetteville, New York, and after that to Clinton, where the father died (1853), leaving a widow and nine children, four sons and five daughters. Grover was only sixteen when his father died; but his formal schooling was cut short at the time, for he had to help support his large family. He soon went to

work in his uncle's law office at Buffalo, where he studied law at odd times and at night, and was admitted to the bar in 1859 at the age of twenty-two. When the Civil War came, two of Cleveland's brothers enlisted, but by agreement Grover hired a substitute and remained behind to support his mother and her younger children. This war record was to be used against him later. He was soon appointed assistant district attorney and in 1870 was elected sheriff. In these minor offices, he displayed courage and honesty of unusual quality.

In 1881 he was elected mayor of Buffalo. In this office he soon became known as a veto mayor because of his record of vetoing measures aimed at graft, such as the sewage disposal and street clean-



*From Mayor
of Buffalo
to governor
of New York*

*Courtesy of The New-York Historical Society,
New York City*

GROVER CLEVELAND.

ing measures. The defeat of the corrupt alderman-contractor street cleaning deal, by which the city was to be cleaned of \$200,000, attracted immediate attention from the reform elements of both parties in New York, and these vetoes came in the summer of 1882 just when the Democrats were casting about for a candidate for governor. The most outstanding of the liberal young Democratic leaders who were closely watching Cleveland was the brilliant orator and organizer, Edgar K. Apgar. When he read Cleveland's message vetoing the street cleaning job, he knew he had found his man. The veto message, said Apgar, contained sentiments "which could only come from an ugly-honest man of good purpose and undaunted courage." Quickly Apgar and other Democrats, soon joined by Liberal Republicans, were urging the nomination of Cleveland; and the regular Republicans made Cleveland's nomination inevitable by brushing aside Governor Cornell and placing at the head of their

ticket Secretary Folger, a Conkling-Platt-Jay Gould politician. As already noted (p. 222) Cleveland was elected governor of New York by nearly 200,000 majority.

As governor, Cleveland continued on a larger stage to fight the corrupt combinations of political machines and private grafters, and, as noted, incurred the hatred of John Kelly and others of Tammany, and of the other political machines and combinations. He was indeed an "ugly-honest man," and as such, when chosen as Presidential nominee by the Democratic Party, he had well merited the since famous eulogy of General E. S. Bragg of Wisconsin, that "we love him for the enemies he has made."

Convinced of Blaine's lack of integrity the Mugwumps insisted, in the words of George W. Curtis, that "the paramount issue this year is moral rather than political"; but almost at once the Republicans countered with the accusation that Cleveland was the father of an illegitimate child in Buffalo. This was a great shock to the supporters of Cleveland; but he did not deny it; indeed, when asked by the party leaders what to say, he replied, "tell the truth." It was the folly of his younger bachelor days. It probably lost Cleveland some votes, yet his forthright honesty in the matter and his blunt refusal to sanction the spreading of false rumors about Blaine's private life probably gained him more than he lost. But no such restraint was exercised by others. Mud-slinging has seldom been greater. The Democrats would sing:

Blaine, Blaine
We gave him a pain
The con-ti-nent-al liar
From the state of Maine.

and

Burn this letter! Burn this letter!
Burn, burn, oh, burn this letter!

And the Republicans would reply:

Mal Mal
Where's my Pa?
Gone to the White House
Ha! Ha! Ha!

The campaign ended in a very close decision. In the entire country Cleveland won by only 23,000, but his electoral vote was 219 to Blaine's 182. He carried Delaware, Indiana, Connecticut, New Jersey, and New York and all the Southern states. Cleveland's

*A mud-
slinging
campaign*

*Cleveland
elected;
reasons*

margin in the Northern states was only about 13,000; in New York it was 1149 and in Connecticut 1200. Several factors brought about Cleveland's success. The Independent or Mugwump vote contributed heavily, the Prohibitionist vote took 25,000 away from Blaine in New York (had there been no Prohibitionist candidate, most would have voted for Blaine, since they were either Republicans or were offended at Cleveland's bibulous habits), and St. John and Miss Frances Willard must have been revenged for having their petition kicked "under the table." Even though Mugwumps and Prohibitionists cut in on the Republican votes, "Ben" Butler with his Greenback Labor ticket detached about 17,000 Democrats from Cleveland.

It was probably the loss of the Irish vote, which would have been cast for Blaine because of his anti-British attitude and his Irish Catholic mother, that lost the New York election. This was brought about as follows: When a group of protestant ministers met at the Fifth Avenue Hotel to endorse Blaine, their spokesman, Rev. Samuel Burchard, denounced the Democratic Party as one "whose antecedents have been rum, Romanism and rebellion." Blaine, who was weary from travel and campaigning, obviously did not hear what Burchard said, and failed to rebuke him. Quickly the Democrats spread the words over New York City and over the country and soon were accusing Blaine himself of having said what Burchard had said. This was hitting below the belt—just as Blaine often did. For Blaine's mother was Irish Catholic and he had a sister who was a Catholic nun. He counted heavily on the Irish vote, and he did receive more than any Republican candidate usually received. But many of the Catholic clergy and their congregations were angry and voted against Blaine.

All these factors may be accounted as important in the defeat of Blaine; yet the underlying cause was the twenty-three years of Republican rule. The Republicans were by all odds the majority party by 1884; but many of them were weary of winning elections by appealing to Civil War issues and ignoring the real issues of the day, such as the growth of the giant corporations, the railroads, the currency question, overproduction, the tariff, labor organizations, and all those problems brought forward by the third party movements such as the Greenback Labor Party and the Farmers' Alliance Movement (Ch. XIII). But the immediate issue in 1884 was, let it be repeated, honest and responsible government. It is the problem that inevitably becomes the major issue when any one party remains in control too long. It was a problem that confronted Jefferson, Jackson, and Lincoln. The government, when under the dominance of

one party over a great length of time, will be eventually manned in every office by cynical or corrupt placemen of that party, who have grown arrogant, brazen, and contemptuous toward the public.

CLEVELAND AND THE PATRONAGE

When Cleveland took office in 1885 he was confronted with a government controlled almost exclusively by Republicans, whose party had been in power for twenty-four years and who looked upon the Democratic Party as an organization of Copperheads and traitors. Even the Mugwumps, who were only Liberal Republicans led by Curtis, Schurz, Charles Francis Adams, and E. L. Godkin, shared more or less this attitude toward the Democratic Party which they had supported. Their sole purpose had been the election of Cleveland, and not of the Democratic Party, and they would have very little sympathy with Cleveland in appointing Democrats. The President, therefore, was not able to please these reformers nor is there any evidence that he made any attempt to do so in the selection of men at the higher policy-making levels such as Cabinet officers. Such men almost inevitably would have to come from the President's own party; and furthermore, as Cleveland understood the functions of the Executive Department, they must hold views on all major policies in harmony with those of the President. Cleveland, therefore, in selecting Cabinet officers did not rely on Mugwumps or Democrats but used his own judgment to a great extent. Only in the selection as Secretary of the Treasury of Daniel Manning, Tilden's right-hand man in New York politics, did he bow to political expediency, and Manning agreed with Cleveland on most questions. The other members of Cleveland's Cabinet were: T. F. Bayard of Delaware, Secretary of State; L. Q. C. Lamar of Mississippi, Secretary of the Interior; A. H. Garland of Arkansas, Attorney General; W. C. Whitney of New York, Secretary of the Navy; W. C. Endicott of Massachusetts, Secretary of War; and W. F. Vilas of Wisconsin, Postmaster General.

Cleveland was, therefore, in an embarrassing situation when he came to the appointment of officers at the lower levels. He was sincerely committed to civil service reform and he wished to live up to the principle that a public office is a public trust; yet it seemed preposterous to him that the entire Executive Department—outside of the group covered by the civil service, most of whom were Republicans—comprising about 86,000 offices should be manned solely by the Republicans, especially under a Democratic administration. Then his party associates were bringing pressure upon him. The old and embittered Tilden favored a policy of "turning the rascals out," and the

*Cleveland's
difficulty in
adhering to
his ideas of
civil service*

demand by the Democrats for the appointment of their supporters was almost overwhelming. Cleveland was faced with a situation similar to that which confronted Thomas Jefferson in 1801, when all Federal offices were occupied by Federalists, and he proposed to adopt the Jeffersonian policy in dealing with it. He would remove officers not because they were Republicans but because they had made use of their offices for partisan purposes; Republicans who had held office for four years should give way for Democrats, and all resignations would be gratefully received. But the hordes of office seekers, who engulfed Washington like a tidal wave, made it difficult at all times and often impossible to adhere to the rules he had laid down. By the end of his term in office the majority of the Republicans had been replaced by Democrats, many of whom were unfortunate appointments. Yet Cleveland did not go far enough in replacing Republicans with Democrats to satisfy his party and he went too far to satisfy the Mugwumps. There was soon much dissatisfaction in both groups. The President carefully guarded the Pendleton civil service law, however, and by the end of his term had added 12,000 to the classified list.

*Cleveland
challenges
the Tenure of
Office Acts*

The dismissal of so many Republicans and the appointment of Democrats in their places was seized upon by the Republican majority in the Senate—Cleveland during his first term as President was faced by a hostile Senate—to prove to the Mugwumps that the President's promise of civil service reform was not sincere. One particular case is a good example of their method. The President's removal in 1885 of George M. Duskin, Republican United States District Attorney in Alabama, and the nomination of J. D. Burnett in his place was challenged under the Tenure of Office Act of 1867, which gave the Senate a voice in removals. The Senate had quietly passed the word along that the nomination would be confirmed if the President would acknowledge that Duskin had been removed for partisan reasons. Cleveland refused any such bargain as it would have rendered his reform pledges ridiculous. He further refused to give the Senate any reasons whatsoever as to why he had suspended Duskin. In this he was sustained by the Tenure of Office Act as amended in 1869. But he flatly challenged the constitutionality of the Act, amended or unamended, and his position was later upheld by the Supreme Court. The Senate was forced to yield, and Cleveland's replacements of Republicans by Democrats continued.

EFFORTS TO PROTECT THE PUBLIC DOMAIN

Office seekers and officeholders were not the only ones discomfited by Cleveland's honest effort at administrative reform. In his inaug-

ural address the President had urged that "the public domain should be protected from purloining schemes and unlawful occupation," and he appointed two men to the Department of the Interior who strove to put an end to the corrupt practices that had been carried on in that Department—L. Q. C. Lamar, Secretary of the Interior, and W. A. T. Sparks, Commissioner of the General Land Office. These two soon uncovered a shameful situation on the public domain. Government surveyors in collusion with speculators, railroads, lumber companies, mining corporations, and great cattle ranchers were making fraudulent surveys. The depredations of lumber companies, said Sparks, were "universal, flagrant and limitless." Mining companies sank shafts on the public lands, and gold, copper, lead, and silver were taken out frequently in collusion with officers of the Department of the Interior. The cattle kings grazed their herds upon public land without permission, and fenced streams and water holes and thus barred the smaller herdsmen and farmers from large areas. Millions of acres had thus been illegally acquired or occupied. At least 30,000,000 acres of land, granted to the railroad companies on condition that they build lines between given points, were subject to forfeiture because the companies had not fulfilled the conditions of the grant. This land, much of it fine timber, mineral, or farm land, was being exploited by the railroad officials. All such lands, Sparks urged, must be repossessed at once if the fast dwindling public domain were to be held "for actual settlers."

*Fraudulent
acquisition
and illegal
use of public
domain*

On the urgent recommendation of Lamar and Sparks, Cleveland acted swiftly. On March 13, 1885, less than ten days after assuming office, he ordered all squatters and graziers out of the Oklahoma lands in Indian Territory. On April 17 he returned to the Indians in Dakota their reservation which President Arthur had added to the public domain, and he ordered all settlers to move off within sixty days. On July 23 the President declared void so-called leases that cattlemen had made with several Indian tribes in the West. On August 7, in accordance with a provision of a law of February 25, 1885, prohibiting the fencing of the public domain, Cleveland ordered all unlawful fences to be removed at once. Finally, on his recommendation, Congress declared forfeited the unearned grants of railroad lands.

*Some reform
measures*

THE PENSIONS ISSUE

Part of the bloody-shirt waving during the campaign of 1884 was the Republican charge that the Democratic Party, if it came into power, would vote Confederate veterans pensions and deprive the

The charge that Democratic success would cause the Union veteran to lose his pension

Union veterans of their pensions. This appeal was made especially to the Grand Army of the Republic, composed of the Union veterans of the Civil War, which by 1884 had become predominantly Republican. Although organized as a fraternal and patriotic order, it soon spent most of its energies toward getting larger pensions; and any chance of Democratic success, which propaganda said would threaten the veterans' pensions, always brought them pell-mell to the voting precincts.

The pensions a vested interest of the Grand Army of the Republic

The veterans' pensions were a large vested interest by 1884. While the pension system of the United States established by the act of 1862 granted pensions only for disability incurred in military service, and to widows, orphans, and dependents of the deceased veterans, the Arrears of Pension Act, passed in 1879 as a result of pressure by the Grand Army of the Republic, provided that every pensioner suffering from a disability attributed to military service would be paid from the date of mustering out to the time the pension was granted. Every ex-soldier on the pension rolls was thus entitled to receive, in a lump sum, a back pension covering the period between the discharge and the time when his pension was granted. Many pensioners now collected from the government sums frequently running into thousands of dollars each; and multitudes of old soldiers, now that it was worth while to do so, applied for pensions. Pension attorneys, who aided the veterans in obtaining their pensions and charged exorbitant fees, combed the country for ex-soldiers who might be able to prove some disability resulting from military service. These attorneys circulated propaganda leaflets and special news bulletins among the veterans; and they vigorously promoted the expansion of the Grand Army of the Republic because of its excellence as recruiting ground for pensioners and as a pressure organization to be used on a hesitant Congress. Corporal James Tanner, who became the G. A. R. commander in 1882, launched a campaign for the passage of a law granting pensions for disability incurred after the war, or for military service alone. The weight of his organization was thrown into the scales during the campaign of 1884 against Cleveland on the ground that Cleveland was a Copperhead and would oppose pensions for Union veterans. Actually, of course, the Democrats, whose patriotism had so often been called into question by the Radicals, had never dared to lift their voice in opposition to the old soldiers' demands regardless of their extravagance.

When, therefore, Cleveland was elected, the G. A. R. was prepared to battle the President who had been pictured as an unpatriotic man and a Confederate sympathizer. It would make war upon the

President not only to prevent any unfriendly interpretation of the current pension laws but to compel the passage of the Tanner program, which would grant pensions for service and for disability incurred since the war. Early in 1887 Congress, not daring to oppose the demands of the G. A. R. with its 350,000 pensioners drawing \$75,000,000 annually, passed the Dependent Pension Bill which seemed almost to outdo the demands of Corporal Tanner himself. The bill would grant a pension to every veteran of as little as ninety days honorable military or naval service, who was dependent upon his own labor for a livelihood but who was unable to earn a livelihood. The passage of the bill was greeted throughout the North with angry protests, for it was perfectly obvious that the persons to be pensioned by the new bill had no real claims on their government. General Bragg of Wisconsin characterized it as "a bill to pension the rubbish of the United States." It opened wide the gates of the Treasury for looting. It was estimated that a million persons would immediately apply for pensions and that half this number would be placed on the rolls, thus bringing the cost to \$157,000,000 a year. Cleveland, who had been vetoing hundreds of private pension bills based on fraudulent claims, now vetoed this bill without hesitation as a general fraud. Congress under the lash of aroused public opinion sustained him. But the pension attorneys and the leaders of the G. A. R., especially Corporal Tanner and General Logan, whipped the veterans into a fury by attributing Cleveland's veto of the Dependent Pension Bill to hostility to old Union soldiers.

Cleveland's veto of the Dependent Pension Bill and private pension measures

THE INCIDENT OF THE CONFEDERATE BATTLE FLAGS

While these leaders of the G. A. R. were denouncing Cleveland as a tool of the South, he thoughtlessly furnished them with further "evidence" of his Southern sympathies by his order of June, 1887, for the return to the Southern states of the captured battle flags. The Adjutant General had called the President's attention to the fact that flags captured from the Confederates as well as many flags belonging to Northern troops, had been stored since the war in the cellar and attic of the War Department; and it was on his suggestion that the President issued the order to restore the flags to their respective states. To Cleveland the war was over; but not to the Republican leaders, especially those affiliated with the G. A. R. The National commander of the G. A. R., Lucius Fairchild, invoked the curse of the Almighty upon Cleveland for his order. "May God palsy the hand that wrote that order. May God palsy the brain that conceived it, and may God palsy the tongue that dictated it." While God did not palsy Cleveland for this act, the President soon revoked the order,

Cleveland orders the Confederate battle flags returned to the Southern states; his order revoked

ostensibly on the ground that he lacked the legal authority but doubtlessly because he now realized that the Civil War was still being waged in the hearts of millions of his countrymen. It was not until February, 1905, that the flags were returned to their respective states by an act of Congress and under a Republican President, Theodore Roosevelt.

The spokesmen of the G. A. R. then became so offensive in their utterances about Cleveland that the President canceled his visit to the National Encampment of the G. A. R. to avoid open insult.

THE BEGINNINGS OF A MODERN NAVY

*From wooden
ships to steel;
a naval
ordnance
plant
constructed*

When Cleveland assumed office in March, 1885, the United States navy was one of the most antiquated in the world. With the exception of two iron sloops it had in service only wooden ships, and the guns were chiefly of the Civil War vintage. The navy itself was manned by an almost equally antiquated set of politicians. Garfield and Arthur, prompted to action by the alarming report of a naval advisory board, had both urged Congress to make appropriations for the construction of several modern warships. In 1883 Congress authorized the construction of three steel cruisers and a dispatch boat, and in 1885, just as Arthur was leaving office, it authorized the construction of four additional vessels. Only the dispatch boat was completed when Cleveland came in, and it was found to be of antiquated design. The three steel cruisers, the *Boston*, *Atlanta*, and *Chicago*, were completed under the supervision of Cleveland's Secretary of the Navy, Whitney; but their design was likewise antiquated. Whitney, backed by Cleveland, reorganized the Navy Department, and, with the full support of Congress, began the construction of modern steel vessels. At the end of the Cleveland administration the navy had completed or had under construction twenty-two steel ships with modern armament, among which were: the 4000-ton cruisers, *Charleston*, *Baltimore*, *Newark*, and *San Francisco*; the 6000-ton cruisers, *Olympia*, *Boston*, *Chicago*, and *Atlanta*; and the second-class battleships, *Texas* and *Maine*. Whitney also had the large naval ordnance plant at Washington constructed. This policy of strengthening the navy was nonpartisan, and was continued vigorously under later administrations.

*The
President
failed to
understand
the effect of
deflation on
the farmer*

CLEVELAND SUPPORTS THE GOLD STANDARD

Cleveland failed utterly to understand the relationship between the plight of the farmers and the currency issue. When the agricultural and silver interests of the South and West were demanding more paper money and the free coinage of silver, and were threat-

ening to disrupt both major parties and create a dominant Farmer-Labor Party, Cleveland and Secretary of the Treasury Daniel Manning were straining every resource to maintain the gold standard. Cleveland regarded all efforts of his own party and those of the Republicans to create a mild inflation or to bring about reflation, as an effort to swindle the creditor out of a portion of his money. It was in Cleveland's second administration, however, that this issue between Cleveland and the cheap money South and West was to have disastrous consequences for the Democratic Party if not for the country (Ch. XIV).

SOME MEASURES IN BEHALF OF LABOR

The President was in advance of his own and the Republican Party in his attitude toward the relationship between capital and labor. He was deeply concerned over the monopolistic trend of business, which seemed to endanger the economic security and political freedom of the American people. The great wave of strikes during his administration and during that of Hayes, which almost inevitably injured the public and the strikers more than it did the employers (pp. 167 ff.), prompted him to urge Congress to establish some method of arbitration. On April 22, 1886, while the violent railroad strike was taking place in the Southwest (pp. 171 ff.) and partly because of this strike, Cleveland addressed to Congress a message proposing a method of settling disputes between capital and labor. It was sympathetic with the helpless plight of labor and it foreshadowed the trend of social legislation of the twentieth century. Laboring men, he said, had come to believe that the United States government was used chiefly to serve the interest of capital as against that of labor; that, indeed, they were subjected to "the grasping and heedless exactions of employers." But such should not be the case, for the laborers had the same right to legislative benefits as the employer. To implement his idea, he proposed that Congress should create a permanent board to which labor disputes could be submitted. This board, to be a part of the Bureau of Labor, should investigate all labor troubles, and stand ready at all times to act as umpire whenever asked by the disputants. Its decisions, although not binding, would, thought Cleveland, have great moral weight.

In 1888 Congress, influenced to some extent by Cleveland, created a commission to investigate labor disputes and to act as a board of conciliation. In the meanwhile, a law was passed permitting each railroad to establish a commission, composed of employers and employees, to settle disputes. Although such commissions were ineffective as a rule for lack of a strong public opinion, they were at least

*The President
proposes the
arbitration
of disputes
between
capital and
labor*

*Congressional
action in
behalf of
labor*

a recognition by the government of a serious problem ever growing more serious. About the same time, too, Congress finally responded to two other long-standing demands of the American laboring men: the passage of a law to prohibit the importation of European or other foreign labor under contract, and of another to legalize the incorporation of national trade unions.

THE ESTABLISHMENT OF THE INTERSTATE COMMERCE COMMISSION

*State
regulation of
interstate
railway traffic
first upheld
and then
denied by
the Supreme
Court*

The most important law of the Cleveland Administration dealing with current economic problems was that which established the Interstate Commerce Commission. The cutthroat competition, followed by combinations or pools to charge what the traffic would bear, the discrimination between shippers, the rebates obtained by such capitalists as Rockefeller and Carnegie, and the many other abuses against which the Granger movement had been directed had led to attempts of states to regulate the railroads (Ch. XIII). The United States Supreme Court in such cases as *Munn vs. Illinois* and *Peik vs. the Chicago and Northwestern Railroad* upheld the right of a state to regulate railroad rates within its borders in the absence of Federal regulation (Ch. XIII). In 1886 in the *Wabash* case, the Court reversed itself and held that the regulation of interstate commerce was under the exclusive jurisdiction of the Federal government. Thus the railroads were left without any law to restrain them.

*The strong
sentiment
in favor of
Federal
regulation*

The public, however, was in no mood to leave the railroads to their own devices—which were many and dark. The investigations during the Granger agitation (Ch. XIII), the reports of the various state railroad commissions, the report of the famous Hepburn committee of New York in 1879 giving voluminous and detailed evidence of the outrageous practices of the railroads—all pointed most urgently to the necessity of Federal regulation. Aware of the national aspect of railroads, Congressmen, especially from the Granger states, had been urging national action. William Windom of Minnesota as early as 1874 had proposed that the Federal government construct railroads to compete with private roads and thus exercise a control over the railroad rates. One is reminded of the “yardstick” theory of the Tennessee Valley Authority of later date. John Reagan of Texas had long advocated Federal regulation in the House, but such proposals met opposition in the Senate.

*The Cullom
committee*

In 1885, however, the Senate appointed a committee of five with Shelby M. Cullom as chairman to investigate the railroad situation and report some plan of regulation. Cullom, who had been a member of the Illinois legislature and then governor of the state during

CHAPTER XII

The Election and Administration of Benjamin Harrison

THE TARIFF PROBLEM

*No apparent
issues between
the two major
parties*

FOR some years after reconstruction the two major parties had apparently become so much alike that they had not dared to deal vigorously with real economic issues lest some large minority should desert to the opposing party that claimed for the sake of election, at least, to have a different point of view. Although millions of farmers and laborers were barely surviving and were making their condition known through the Granger movement, the Greenback Party, and Farmers' Alliance (pp. 265 ff.), the two major political parties to a great extent ignored such realities or dealt with them cautiously and waged their contests for election in a social and economic vacuum. The political contest for office, begetting partisan rivalry like football teams, and the constant raising of false issues belonging to the past, had made this possible.

*The evolution
of the tariff
issue 1880-87*

In 1888, however, the two parties openly contested the campaign upon an issue of the day, one indeed that related to the economic and social structure of America. This was the tariff. Gradually over the years this question had been developed into an issue between the two major parties. It will be recalled that in their platforms both parties had vaguely promised tariff reform since the end of the war, and the Democratic platform of 1880 had urged the adoption of a tariff for revenue only. It will be remembered that Arthur had urged tariff revision in his message to Congress, but that the lame duck Congress, despite the President's request, had in the winter of 1883 enacted a tariff law that retained the high duties of Civil War days. In the election of 1882 that put the Democrats in control of the House of Representatives, the issue of tariff revision had been raised in several states. As a result, when in 1883 the Democratic majority in the House chose a speaker, it passed over Samuel J. Randall, the protectionist leader of Pennsylvania who three times before this had held the office, and elected John G. Carlisle of Kentucky, a strong advocate of a low tariff. The bulk of the Demo-

crats shared Carlisle's position, and in accordance with this sentiment W. R. Morrison of Illinois introduced a bill in the House providing for a horizontal twenty per cent reduction in tariff rates. It was not possible for the bill to become law, for the Republican Senate, predominantly protectionist, would defeat it. The purpose of passing the bill through the House was to lay the burden of the high tariff on the Republican Party in anticipation of the election of 1884. But forty-one protectionist Democrats from the industrial states of Pennsylvania, New Jersey, Ohio, and New York, led by the embittered ex-Speaker Randall, joined with sufficient Republicans to defeat the bill.

The election in 1884 of Cleveland, known to be a low-tariff man, and of a Democratic House, predominantly low tariff, inevitably brought the tariff question forward again. In his first annual message (December, 1885) Cleveland suggested the adoption of a tariff for revenue only. Morrison again introduced a bill to lower the tariff and again his bill was defeated by a combination of Republicans and Randall Democrats. Cleveland in the meanwhile, although advising the adoption of a tariff for revenue only, had not placed this issue above the several others with which he had to deal.

Nevertheless he studied the tariff methodically in its bearing upon the economic system of the country and, what was most pressing at the moment, in its relation to the accumulation of the surplus. He finally concluded that tariff reduction was imperative, and he made up his mind to place the issue before the American people by devoting an entire message to the matter. The Mugwumps, who were still more concerned with civil service reform than with fundamental economic issues, tried to dissuade Cleveland from drawing the issue on the tariff, lest it endanger his chances of re-election. But Cleveland was adamant. "Do you not think," he asked, "that the people of the United States are entitled to some instruction on this subject?" "What was the use of being elected and re-elected unless you stand for something?" Accordingly, on December 6, 1887, he sent Congress a message devoted exclusively to the subject of tariff reduction. Since the Democrats, a minority of whom were protectionists, controlled the House of Representatives by the very narrow margin of twelve members, and the Senate was Republican—as it had been throughout the Cleveland Administration—it was not possible to pass a low-tariff bill through Congress. Cleveland's message was a campaign document. By his message, which he wrote without consulting the Democratic leaders, he compelled both parties to make the tariff the issue in the election of 1888.

In his message the President pointed out that revenues were far

*Cleveland's
decision to
make tariff
reduction
the principal
campaign
issue of 1888*

*The tariff
message
of 1887*

in excess of expenditures, and that the surplus thus being piled up at a fearful rate was a dangerous "withdrawal from use of the people's circulating medium." Here, indeed, Cleveland glimpsed for the moment one aspect of the deflationary trend that had set in after the Civil War, and which was an underlying factor in the distress and discontent of the agricultural population. Furthermore, continued the message, such accumulation of the currency in excess of legitimate needs of the government and at the expense of the consumers was "indefensible extortion and a culpable betrayal of American fairness and justice." The highly protective tariff raised the price to consumers of imported goods, and the manufacturers of the same types of articles at home raised the prices of their goods to correspond with the prices of imported goods. In this way all the people were taxed, and those who purchased imported goods paid the tariff to the government, while those who purchased home products paid the equivalent of the tariff to the manufacturers. It was the use of the government by a few men—now organizing into trusts—to exploit the people.

Aside from the injustice of a protective tariff and the danger of further withdrawal of money from circulation, the growing surplus invited reckless and extravagant expenditures. All Federal bonds that were payable had been brought in and the Treasury had repurchased at a premium those salable bonds not yet due. There was, then, no legitimate objective of expenditure left. The government revenue must be reduced at once to bring to an end this excessive piling up of the surplus. In readjusting the tariff system "the interest of American labor" and "the preservation of our manufacturers" must be kept in mind. Cleveland was not advocating free trade, for this was no time to dwell "upon the theories of protection and free trade." Indeed, he earnestly argued, "our progress toward a wise conclusion will not be improved by dwelling upon the theories of protection and free trade. This savors too much of bandying epithets. It is a *condition* which confronts us, not a theory."

*Reactions of
Democratic
politicians
and Inde-
pendents*

The message produced a profound reaction. The spavined political horses of the Democratic Party had not been consulted; on the contrary, it was against their wishes that any real issue should have been raised. Cleveland had been described by the Republican press as a person whose neck was eight inches across the back, and whose weight was very little except on the hay scales. Now, thought the professional politicians of the Democratic Party, his head was as thick as his neck; for the large protectionist element, led by Randall, would surely throw their support against the President. At least the leaders of the Independent Republicans approved of

Cleveland's act. James Russell Lowell expressed the sentiment of this group when he said: "The presidential chair has a MAN in it, and this means that every word he says is weighted with what he is."

James G. Blaine, who had been traveling in Europe, gave out an exceedingly shrewd interview which was cabled to America and published broadcast. He said that the message advocated tariff for revenue only. British newspapers, he said, were construing it as a "free trade manifesto." At any rate the "Democratic Party in power is a standing menace to the industrial prosperity of the country. That menace should be removed. . . ." The United States did not need foreign trade, let it develop the vast home market. John Hay wrote Blaine gratefully: "You have given us our platform for next year." William McKinley, Congressman from Ohio, considered the President's message a "free trade lecture," which was as good "as if written by the Cobden Club." The Republican leaders, then, were in agreement with Cleveland's purpose to make the tariff the issue. But they were not forthright in defining this issue, for, like Blaine, they placed the contest upon the false issue of free trade versus a protective tariff, whereas Cleveland, although theoretically believing in a tariff for revenue only, was insisting upon a lower protective tariff versus a higher protective tariff.

In response to Cleveland's stirring message the House Ways and Means Committee under the chairmanship of Roger Q. Mills of Texas immediately prepared and reported a bill to reduce the tariff from an average of forty-seven per cent to forty. Several items such as wool, lumber, hemp, flax, cotton ties, and salt were placed on the free list, and the internal revenue duties, especially on tobacco, were reduced. It was estimated that the total reduction of internal and external revenue would amount to \$80,000,000 per year if the Mills Bill could be made into law. This bill precipitated a prolonged discussion calling forth 151 speeches in the House, and William Springer of Illinois characterized it as the "Great Tariff Debate of 1888." Mills and Speaker Carlisle upheld Cleveland's point of view with great ability. Thomas Reed, the future Republican Speaker of the House, and William McKinley, to be elected President within eight years, upheld the position, now for the first time frankly announced, that the Republicans desired a tariff sufficiently high to exclude all competitive foreign goods from the American market and thus give the American industrialists a monopoly of the home market. During the debate McKinley exhibited a very good suit of clothes for which he had paid only ten dollars, in support of the contention that the protective tariff did not really make goods

*Republican
leaders
contend that
Cleveland's
message
advocated
free trade*

*The Mills
Bill and
the "Great
Tariff Debate
of 1888"*

expensive. Mills, however, took some of the wind from McKinley's sails by tracing out the tariff charges on the wool in the suit, and showing that the suit without the tariff should have cost only \$4.98. The bloody shirt, as well as the ten dollar suit, was waved before the House and the country. The Republicans, pointing out that six out of eight Democratic members of the Ways and Means Committee who framed the Mills Bill were Southerners, charged that the South by means of the proposed reduction of the tariff—from forty-seven to forty per cent—was making a sectional assault upon the industrial life of the North.

THE CAMPAIGN OF 1888 AND THE TARIFF

Since there was no danger of the bill passing the Senate, all but four Democrats, regardless of their views on special items of the tariff, supported the measure and it passed the House on July 21 and went to the Senate. Already the Mills Bill and Cleveland's tariff message had become the chief plank of the Democratic platform adopted at the national convention in Chicago on June 8. Now the Republican Senate, under the leadership of Nelson W. Aldrich of Rhode Island, wealthy industrialist, and W. B. Allison of Iowa, framed a high tariff bill on which the Republican Party might stand. The Senate did little else during the election campaign but debate or wrangle with the Democrats over the bill, for it was merely intended as a token of what could be expected if the Republicans won the election.

*Cleveland
renominated
as a matter
of expediency*

As has been said, Cleveland's tariff message offended many of the political leaders of the Democratic Party, not so much because they did not agree with it but because of its effect on the Randall Democrats. Then the Southern and Western Democrats did not like Cleveland's opposition to free silver; nor did such machine politicians as Governor David B. Hill of New York or the Tammany organization feel happy over the President's civil service policy. Yet when the Democratic convention met in St. Louis on June 5, Cleveland was nominated for President by acclamation because there was no other political leader who had a chance to win. Allen G. Thurman was nominated for Vice-President, since Vice-President Hendricks had died. The platform was devoted chiefly to revenue reform.

*Harrison
nominated
by the
Republicans
after Blaine's
withdrawal*

The Republicans wanted to nominate Blaine, and Blaine, although in poor health at the time, would have liked nothing better. But the "magnetic man from Maine" was unwilling to accept the nomination unless it were by virtually unanimous action of the convention, for there can be no doubt that he was afraid of

the Mugwumps, Prohibitionists, and Irish whom he had offended in 1884. He and his political advisers were likewise afraid of Cleveland, who had defeated him in the last contest. With Blaine out of the running, the convention, meeting in Chicago on June 10, had no outstanding politician available except John Sherman. As always, however, the crafty but cold Ohioan could never obtain a majority of the votes; and after days of futile balloting, the convention heeded Blaine's advice and nominated Senator Benjamin Harrison of Indiana for the Presidency. Levi P. Morton, wealthy New Yorker, was nominated for the Vice-Presidency.

The Republican platform repeated the platitudes of former platforms about civil service reform and laws to curb monopolies; but it frankly advocated a high protective tariff system, which in remembrance of Henry Clay it called "The American system of protection." Indeed it favored "the entire repeal of internal revenue taxes rather than the surrender of any part of our protective system." It promised the veterans of the Civil War liberal pensions.

*The
Republican
platform;
its emphasis
is on the
protective
tariff*

The Republicans managed their campaign with skill. Harrison wisely conducted a "front porch campaign" from his home in Indianapolis. He made more than ninety speeches to visiting delegations without one time "putting his foot in his mouth." Doubtless having in mind the vicious and slanderous campaign of 1884, he declared at the beginning that the election contest should be based upon principles and not on personal recrimination. Well known in his party as a champion of a protective tariff, he honestly could wage his campaign upon the tariff issue. He contended that the Democrats, if given the opportunity, would reduce the import duties step by step, until they had "a tariff for revenue only," while "the Republican Party holds that a protective tariff is wholesome and necessary." He did not fail to put forth the old argument that a protective tariff insured the American working classes against the pauper labor of Europe. In his speeches to the visiting delegations Harrison was charming and persuasive, and aroused considerable enthusiasm in his party.

*Harrison's
"front porch
campaign"
waged upon
the tariff issue*

The manufacturers were in control of the Republican Party despite the strong opposition from the West and, through their influence, Senator Matthew Quay, boss of the Quay-Cameron machine of Pennsylvania, was made chairman of the Republican National Committee and campaign manager. Quay did not concern himself personally so much with arguments over the tariff, but raised a war chest to "get out the vote." He did this by levying upon the manufacturers who were profiting by the high tariff and who believed that Cleveland's re-election would be against their inter-

*Large sums
of money
used by
Republican
Party leaders
to carry the
election*

ests. Some of these industrialists, however, did not want to pay for what they were getting, and one irate party worker in Pennsylvania suggested that if he had his way he "would put the manufacturers of Pennsylvania under the fire and fry all the fat out of them."

Needless to say Quay and his colleagues fried the fat out of numerous unwilling souls. A sum estimated at from one to three million



*Courtesy of the New York Historical Society,
New York City*

BENJAMIN HARRISON.

dollars was raised and expended on the election. Much of it was used to print literature on the tariff issue and finance speakers on this subject. Much was used to finance small-time demagogues to wave the bloody shirt by denouncing Cleveland as a "rebel" sympathizer, because of his pension vetoes, his order to restore Confederate flags, and the appointment of Southerners in his Cabinet. But much of this money was used "to get out the vote," as revealed in a letter presumably written by W. W. Dudley, treasurer of the National Republican Committee, to the Republican Party leaders in the doubtful state of Indiana. The letter instructed them

to "divide the floaters into blocks of five and put a trusted man with the necessary funds in charge of these five, and make him responsible that none get away, and that all vote our ticket."¹ These floaters held the balance of power in Indiana, and the Democratic watchers at the polls testified that the floaters were often paid as high as twenty dollars per head to vote the Republican ticket. This same purchase of floaters was reported in other states.

The Democratic machines were not above using money to purchase votes, but they did not have manufacturers to "fry," and the Pendleton Civil Service Act forbade the levy upon office holders.

The British minister at Washington, Sir Lionel Sackville-West, further aided the Republican campaign by being trapped into expressing a preference for Cleveland's election. George Osgoodby, a California Republican, signing himself "Charles F. Murchison," and describing himself as a naturalized American citizen of English

¹ "Floaters" were persons who were employed to go from poll to poll to vote and thus "repeat" a number of times. The term also applied to those who had no permanent residence or who had no political affiliation.

birth, wrote a letter to Sackville-West, asking for instruction as to how to vote in the forthcoming election. Sackville-West went into the trap like a gosling diving into a flock of decoys, and advised Murchison that President Cleveland should be supported by naturalized Americans of British descent. The Republican managers published the letters of both Sackville-West and "Murchison" just before the election and they created quite a furor. The *New York Tribune* published a facsimile of Sackville-West's letter, with the comment "The British Lion's Paw thrust into American politics to help Cleveland," and the Democratic leaders and press demanded the instant dismissal of the British minister. Cleveland, enraged by the incident, sent the dull fellow on his way. The incident came too late to be corrected and many irate New Englanders and Irish, who might have voted for Cleveland, voted for Harrison. The Republican leaders, recalling the "Rum, Romanism and Rebellion" episode of 1884, revenged themselves with glee upon the Democrats. Sherman and Blaine, especially, seized every opportunity to assure their audiences that the Cleveland Administration had always been excessively amenable to British influences. "They have given Sir Sackville-West the shake," Sherman observed on one occasion, "and now all that remains for you to do is to give Cleveland the sack."

Harrison and Cleveland refrained from personalities, but some irresponsible Republican leaders gave countenance to mudslinging. Cleveland, who had married the lovely young Frances Folsom, daughter of his old law partner, was accused of wife-beating and indulging in drunken sprees; and his failure to serve in the army during the Civil War was brought up. Nor was the scandal about the illegitimate child overlooked.

*Republicans
attack
Cleveland's
private life*

In the election Cleveland received 100,000 more votes than Harrison, but these votes were so located that Harrison received 233 electoral votes to Cleveland's 168. Harrison had carried the pivotal state of Indiana by only 2300 and New York by only 12,000. The "floaters in blocks of five" in Indiana probably swung that state to Harrison; and there seems to be little doubt that Democratic Tammany Hall and Governor David B. Hill traded the Presidential votes of their organization to the Republicans in return for Republican votes for the local and state Democratic machine, and thus brought Republican victory in New York. Hill received a 19,000 majority vote for governor over his Republican opponent, while, as already observed, Harrison received 12,000 more than Cleveland. Harrison exclaimed that Providence had given the Republicans the election, but Matthew Quay who had "fried the fat out" of so many manufacturers and had supplied the money for the "floaters"

*Harrison
elected by
carrying the
pivotal states*

in the doubtful states, protested that Providence had had nothing to do with it.

HARRISON'S OFFICIAL APPOINTMENTS

*Harrison's
personality*

Benjamin Harrison's public record was certainly not one of great distinction. He had been colonel of an Indiana regiment of volunteers and had been brevetted brigadier general. From the Civil War until his election as President he had been a successful lawyer and had served one term in the Senate. He was known as a conscientious and cultured gentleman, but a narrow partisan. He was, as already observed, a public speaker of exceptional charm, yet in his personal relations he was as distant and aloof in his bearing as President Washington had been. Indeed he was referred to as the human icicle. One contemporary aptly said that "Harrison can make a speech to ten thousand men, and every man of them will go away his friend. Let him meet the same ten thousand in private, and every one will go away his enemy." Senator Hoar, contrasting him with Blaine, said that "Blaine would refuse a request in a way that would seem like doing a favor. Harrison would grant a request in a way which seemed as if he were denying it."

*Harrison not
the leader of
his party*

Being thus personally unattractive, politically obscure, and lacking forcefulness, Harrison was not capable of assuming the leadership of the Republican Party. This, of course, was no hardship for a party which usually prefers that party leadership reside in Congress. At this time they had several very able men who knew what the party needed and knew how to get it. The most prominent of these were Thomas B. Reed, William McKinley, Nelson W. Aldrich, and John Sherman.

*Cabinet
and other
major
appointments*

Harrison had not only pledged his support of reform and extension of the civil service, but he had given assurances that even the department heads and their staffs should be selected on the basis of "fitness and not party service." But his Cabinet, with the exception of Blaine, was undistinguished and the bureaus within the departments were staffed with spoilsmen. The appointment of Blaine as Secretary of State was unavoidable had Harrison wished it otherwise, for Blaine had caused the convention to nominate Harrison and he certainly had done much to elect him President. Still the appointment was unfortunate, for Blaine, domineering and temperamental, was exceedingly difficult to work with, and he regarded himself, as Seward did for a few days in 1861, as the real President. Harrison being a stubborn, prideful man found Blaine almost unbearable. The two men soon came to hate one another.

Harrison's appointment of John Wanamaker, the merchant

prince of Philadelphia, as Postmaster General was in direct payment of what he and other men of great wealth had done for the campaign fund. Wanamaker was reported to have raised nearly four hundred thousand dollars for the party treasurer Dudley for "getting out the vote." In short, Wanamaker had with Quay's help "fried the fat" out of the Pennsylvania manufacturers, for they were the chief contributors. The appointment as First Assistant Postmaster General of J. S. Clarkson, a frank spoilsman and vice



From Judge, 1899

THE MOB OF HUNGRY OFFICE-SEEKERS: "Harrison holds the fort."
CLEVELAND: "Aha! Now you know how it is yourself, Ben!"

chairman of the Republican National Campaign Committee, was the payment too of a political debt, and it did most violence to Harrison's pledges of reform. Beginning promptly to discharge Democratic fourth-class postmasters, Clarkson was able within less than a year to say: "I have changed 31,000 out of 55,000 fourth-class postmasters and I expect before the end of the month to see five-sixths of the Presidential postmasters changed. Then I can paraphrase old Simeon and say 'let thy servant depart in peace.'" In an effort to find a man for Secretary of the Treasury acceptable to the West, where the demand for soft money was again strong, and to

the East, where the gold standard was regarded as the only honest money, Harrison appointed William Windom who had been an early advocate of railroad regulation. In doing this Harrison offended Thomas C. Platt, the power behind the old Conkling-Platt machine of New York, for Platt wanted it himself.¹

*Other bad
appointments;
Corporal
Tanner*

Harrison, like Grant, also placed numerous indigent relatives on the Federal pay roll and he appointed prominent newspaper editors to important posts. The worst appointment that he made—and he soon came to rue it—was that of Corporal James Tanner as Commissioner of Pensions, who announced that he would increase the pension rates “though I may wring from the hearts of some the prayer, God help the surplus.” Secretary of the Interior, J. W. Noble, soon removed the Corporal from office and greatly offended the G. A. R.

The Mugwumps, who had supported Harrison, within a short time began to flay him for his disregard of his pledges. One Republican newspaper stated that the Administration had dismissed civil service reform “as remorselessly as it would dismiss an objectionable tramp.” Toward the end of his administration, however, Harrison did what Arthur and Cleveland had done—he extended the civil service to include several thousand more employees so as to protect many of his own appointees. Those government employees under the civil service were not touched, of course, and the appointment of Theodore Roosevelt, ardent young Liberal Republican, as Civil Service Commissioner resulted in a very vigorous enforcement of the rules governing appointments.

THE REPUBLICANS PREPARE FOR A LEGISLATIVE VICTORY

*Republican
strength in
Senate
increased by
admitting
six new states
into the Union*

For the first time in years the Republicans had a majority in both houses, but it was a very narrow majority. However, it was strengthened by the lame duck Congress passing the omnibus bill, which Cleveland signed, admitting North and South Dakota, Montana, and Washington into the Union. These states had eight Senators and several Representatives ready to take their seats when Congress met in December, 1889, most of whom labeled themselves as Republicans. The Democratic House majority, in which the omnibus bill had originated, were, of course, not trying to strengthen their Republican opponents. But realizing that the new Congress would promptly admit these new states as soon as it met, they hoped that by initiating the measure themselves they could bring the Democratic territory

¹ The other appointments were Redfield Proctor, Secretary of War; B. F. Tracy, Secretary of Navy; W. H. H. Miller, Attorney General; J. W. Noble, Secretary of Interior; and J. M. Rush, Secretary of Agriculture.

of New Mexico in at the same time. In this they were disappointed, for the Republican Senate refused to permit New Mexico to ride through on the omnibus bill. Within six months the Mountain states of Idaho and Wyoming were admitted, and more Senators and Representatives were added to the Republican majority in the fall of 1891.

The Republicans now had a safe margin in the Senate, but their majority in the House was less than twenty—too narrow for comfort; and it would require strict party discipline to carry out the program. To keep the members in hand, the Republicans elected Thomas B. Reed, Speaker. Reed, with the hulking frame and voice of a sea captain, was a bold and resourceful leader and he used his power as Speaker to ram the Republican program through Congress. First, he appointed as chairmen of all the important House



Courtesy of Brown Brothers

T. B. REED.

*Czar Reed's
control of
the House;
his methods*

committees men who shared his views and would work as a team. The most important appointment was that of William McKinley as chairman of the Ways and Means Committee, whose business it would be to steer the promised high, protective tariff bill through both the Committee and Congress.

Reed's next step was regarded as nothing less than revolutionary by the Democrats. Heretofore a quorum in the House had been determined by the number of yeas and nays rather than by the number physically present. At this time it took 165 to make a quorum, and should six of the 170 Republicans be absent, the Democrats by not voting could prevent the transaction of business. Reed, who in the previous Congress had been the ring leader in such dilatory, filibustering tactics and who, in his own words, had remained in his seat "day after day in silence refusing to vote" in order to prevent a quorum, was determined that the Democrats should not emulate him. In counting his quorum he would count those actually present, whether or not they voted. On January 29, 1890, Reed made his first application of this principle in a vote taken on a contested seat. The Democrats, who were lounging in the cloak room, in the aisles, and in their seats, refused to vote; and

as there were several Republicans absent there were only 162 yeas and 2 nays, one short of a quorum according to former practice. But Reed counted everyone present, and was even accused of counting those in the barber shop. Indeed one colleague implied that he even counted a hat hanging in the cloak room. The Democrats were quite naturally furious and they denounced Reed as a tyrant and a bully, while the Republicans roared with derisive



From Judge

REED AS MASTER OF CONGRESS.

laughter. One Representative sprang to his feet shouting "I deny your right, Mr. Speaker, to count me as present"; and Reed raised yells of delight from the Republican side by facetiously replying that "the chair is making a statement of fact that the gentleman from Kentucky is present. Does he deny it?" Soon after this, when for the purpose of delaying business a motion to adjourn was made, the Speaker ruled the motion out of order and would not permit an appeal from his decision. Reed then lectured the minority on resorting to dilatory tactics to frustrate the will of the majority.

After many turbulent scenes in the House in which the imperturbable demeanor of the Speaker probably saved him from assault, and despite widespread denunciation in the press, Reed's rules were adopted by the Rules Committee—of which he was chairman—

and by the House. Henceforth actual attendance should determine a quorum, and no dilatory motion should be entertained by the Speaker. These two standing rules and many special ones brought in from time to time by the Rules Committee put debate in a strait jacket so that Reed, McKinley, and Joseph Cannon simply "ram-rodged" the Republican measures through Congress. Within less than a year Reed and his able and determined co-leaders would regret their arrogance, for the congressional election of 1890 reversed the position of the political parties; but in the meantime they practically hung up a legislative record by getting the entire Republican program enacted into law, and obtaining one law extra for which they had not bargained—the Sherman Silver Purchase Law.

The one great objective of the leaders of the Republican Party, now more openly the spokesmen of the great industrial interests, was, of course, the protective tariff. But there were debts to be paid the various pressure groups for their contributions to victory in the election of 1888, and an honorarium to be granted to the recently admitted Mountain states for their support. These debts would have to be paid at once in order to hold the dissident groups together in the Republican Party.

PAYING OFF THE POLITICAL DEBT TO THE VETERANS

The most pressing and vocal creditors were the Grand Army of the Republic and the pension lawyers and local demagogues who kept the veterans excited. Harrison was genuinely interested in aiding the Union veterans, and he had protested against Cleveland's vetoes of the private pension bills and of the Dependent Pension Bill as "weighing the claims of old soldiers with apothecary's scales." In his inaugural address and in his message to Congress Harrison had urged liberal pensions for the veterans. But Congress needed no such reminder: Corporal Tanner, the Commissioner of Pensions, pension lawyers, Civil War veterans in person, and almost literally carloads of letters from back home were bringing the matter before Congressmen of all political persuasions. The Dependent Pension Bill was put through Congress during the late winter and spring of 1890 and became a law on June 27 of that year. It was similar to the Dependent Pension Bill that Cleveland had vetoed. All Union veterans of not less than ninety days Civil War service who were handicapped by mental and physical disability, and were therefore unable to earn a living, were eligible for a pension of from six to twelve dollars a month according to the extent of their disability. Rank should not be considered. Widows of such veterans, dependent upon their labor for a living,

Reed's rules, adopted by the House, enable the Republicans to carry out their legislative program

The Dependent Pension Act

were to receive eight dollars a month, and minor children, two dollars. The widow must have been the wife of the veteran at the time of the enactment of the law. The effect of the law was soon apparent. In about three years the number on the pension list increased from less than 500,000 to almost 1,000,000, and expenditures increased proportionately. About \$89,000,000 had been expended on pensions in 1889, while in 1893 nearly \$160,000,000 was spent.

CURBING THE TRUSTS

*The pledge
to regulate
the trusts*

While the above pension bill was being put through Congress, other measures to pay off political debts and ease popular pressure were marching abreast to clear the way for the passage of the McKinley Tariff Bill, which had passed the House two weeks after its introduction but which had been held up in the Senate until all political debts were paid. The party platform under the lash of public opinion had promised to do something to curb the mighty trusts such as the Standard Oil Company, the Sugar Trust (the American Sugar Refining Company), and Carnegie Steel, as the Interstate Commerce Act in 1887 was supposed to have curbed the lawless and ruthless career of the railroads. Both parties were pledged to do something, and the pressure upon Congress to enact such restraining laws was very strong in the South and West and among the rank and file in the East.

*The Sherman
Antitrust
Act*

The spokesmen of big business, such as Aldrich, McKinley, and Reed, were not concerned over trusts or any kind of great business combinations, which they regarded as the inevitable result of economic development and as both the means and the manifestation of progress. Reed contemptuously referred to the arguments of Democrats and Republicans alike for the regulation of trusts as "idiotic raving." But popular pressure must be relieved; and, above all, the argument of the low-tariff advocates, that these giant trusts were the creatures of the protective tariff, must be turned aside. Antitrust sentiment and low-tariff sentiment must not be permitted to come together. Such a result would endanger the tariff program.

Consequently Senate and House leaders pushed through a bill for the regulation of trusts, originally framed by Sherman, but re-worked by Hoar and Edmunds. The Sherman Antitrust Bill became law on July 2, 1890, only a few days after the passage of the Dependent Pension Law. It was vigorous enough in language to suit a Populist or Greenbacker. It declared illegal "every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several states, or with foreign nations." Any person or persons combining to monopolize

"any part of the trade or commerce among the several states, or with foreign nations" should on being found guilty "be punished by a fine not exceeding \$5000, or by imprisonment, not exceeding one year, or by both said punishments, in the discretion of the court." Any person injured by practices declared unlawful by the Act, might recover by suit in the United States Circuit Court, "threefold the damages by him sustained, and the costs of the suit, including a reasonable attorney's fee." Senator Hoar, in explaining the bill as it came from the Judiciary Committee, said: "The great thing that this bill does . . . is to extend the common law principles, which protected fair competition . . . in England, to international and interstate commerce in the United States." That the new leaders of the Republican Party—and many of the Democratic Party—heartily supported the sentiment of the old Senator from Massachusetts is hardly to be believed. Schurz' opinion of the antitrust law was nearer the true sentiment of its sponsors: It was "a lightning rod to prevent the popular feeling against the trusts from striking the tariff."

At any rate the law proved entirely inadequate to cope with monopolies. Some technical trusts when forced by threat of prosecution dissolved and formed holding companies, which held a controlling interest in a business and shaped the policies of that business; while others incorporated in some friendly state—as New Jersey or Kentucky—as a single company. Still others would incorporate a "mother company" that owned the controlling shares and directed the management of subsidiary companies.

*The law
inadequate*

The actual prosecutions under the Sherman Antitrust Act were sorry affairs, for it does not appear that the Department of Justice or the Federal courts were in the least concerned with the enforcement of the law. In 1895 the Supreme Court completely emasculated the Sherman Antitrust Law in the Knight case (*The United States vs. E. R. Knight*). The already colossal American Sugar Refining Company purchased refineries at Philadelphia, which brought ninety-eight per cent of the refining business under its control. The Department of Justice brought suit against the company to compel cancellation of the purchase of the Philadelphia refineries, on the ground that acquisition created a combination in restraint of trade in violation of the Sherman Antitrust Law. The prosecution carelessly or deliberately made its complaint against the *purchase* of refineries rather than *restraint* or *monopoly* of trade resulting from the purchase, and presented no evidence to show that the intent of the purchase was the creation of a monopoly to control supply and prices. The Court declared that the creation of a manufacturing

*The failure
of the courts
to enforce
the law; the
Knight case*

monopoly by the purchase of the sugar refineries was not an act of interstate commerce, and that therefore such matters did not come within the jurisdiction of the Federal government. "Commerce," observed the Court sanctimoniously, "succeeds to manufacture, and is not part of it." Manufacturing monopolies were strictly affairs for the states to handle. So dead did the law now seem that when Theodore Roosevelt began prosecutions under its terms, it was as if the dead had been brought back to life.

THE WESTERN DEMAND FOR FREE SILVER

*Free silver
in return
for a high
tariff.*

The honorarium that the Republican leaders had expected to grant the Mountain states and the two Great Plains states of Kansas and Nebraska for their support of the tariff turned out to be no honorarium at all but a staggering payment made in advance of services rendered. No doubt the high-tariff advocates of the party had expected to obtain the support of these Western states by amending the Bland-Allison Silver Purchase Act so as to provide for a moderate increase in the amount of silver to be purchased. The Mountain and Plains states, however, demanded that the United States purchase and coin all silver mined in the United States, and maintain the value of the silver coin at the ratio of sixteen to one in terms of gold. To make the situation even more difficult for the high-tariff, hard-money Republicans, the Western free-silver Republicans sought and obtained aid from the Democrats rather than their own party in securing the free-silver measure. To the dismay of the Republican regulars, a combination of Western Republicans and Western and Southern Democrats passed a bill through the Senate (June, 1890) for the free and unlimited coinage of silver. The House under the dictatorship of Speaker Reed had just defeated a similar bill, and this would have ended the matter for the time being had it not been for the McKinley Tariff Bill which had passed the House but was being held up in the Senate by the free-silver advocates. As it was, the Republican leaders—Reed, McKinley, Cannon, and Aldrich in particular—knew that the tariff bill would never be allowed to pass unless the minimum demands of the Western Republicans could be met. Since these Westerners—parting with their allies—were quite aware that a bill for the unlimited coinage of silver could not pass the House, and that even if it did it would meet a Presidential veto, they finally agreed on a measure that fell short of their desires but went far beyond the provisions of the Bland-Allison Act of 1878. This measure, which became law on July 14, 1890, was the Sherman Silver Purchase Act. After its passage the free-silver Republicans

were ready to support the McKinley Tariff, which they had opposed as a matter of political strategy and not of principle.

The Sherman Silver Purchase Law repealed the Bland-Allison Act of 1878, under which the Secretary of the Treasury had already paid out \$308,000,000 for silver bullion to be coined. It provided that the Secretary of the Treasury should purchase at market price, now twenty to one as compared with gold, 4,500,000 ounces of silver bullion every month—the average silver production of the United States. Unlike the bullion purchased under the Bland-Allison Act, the silver obtained under the Sherman Law was to be deposited in the storage vault of the Treasury uncoined, and Treasury notes payable in gold or silver issued to the full value of the bullion. The addition of Treasury notes representing the 54,000,000 ounces of silver purchased annually would go far toward the expansion or inflation of the volume of money in circulation demanded by the farmers, and, had the intention of the farmers been carried out, the country would soon have been on a silver rather than a gold standard. The law stated that the United States would “maintain the two metals on a parity with each other upon the present legal ratio or such ratio as may be provided by law”; and the Secretary of the Treasury continued, as had all his predecessors, to maintain the gold standard by redeeming all silver coin or paper currency in gold. This practice during the next few years, when the volume of currency thus to be redeemed had so greatly increased, was a constant threat to the gold reserve in the Treasury and, doubtless, was a factor in creating the situation that led to the panic and great depression of 1893.

*Provisions
of the
Sherman
Silver
Purchase Act*

THE PROTECTIVE TARIFF

With these obstructions removed, the McKinley Tariff Bill could now be pushed through the Senate. As already observed, this bill was introduced early in the session and under Reed's iron discipline had been quickly passed by the House. The McKinley bill, unlike the Sherman laws, was framed and constantly guided by the man whose name it bore. McKinley might have been uncertain as to the relative merits of the gold and silver standards, he might have been uncertain that the Republican Party was always right, but of one thing he entertained no doubts whatever: the merits of protectionism.

*McKinley,
the champion
of protec-
tionism; his
arguments*

Protection [said McKinley in behalf of his bill] is a deep conviction, not a theory. I believe in it and thus warmly advocate it because enveloped in it are my country's highest development and

greatest prosperity; out of it come the greatest gains to the people, the greatest comforts to the masses. . . .

The low tariffs of the Democrats, insisted McKinley, had brought the country almost to ruin (although there had not been a Democratic tariff since ante-bellum days when the country was prosperous either because of it or in spite of it), and, unless the Republican protection should be continued and extended, British manufacturers would throw their goods upon the American market and soon undersell and destroy the American industries. McKinley and his fellow high protectionists insisted upon the old argument of Henry Clay and Daniel Webster that a high tariff protects the American workman from the pauper labor of Europe. Perhaps the most surprising argument of these protectionists was that the foreign manufacturer pays the tariff rather than the consumer. Of course, a tariff so high that it would exclude a large volume of imports, would reduce the surplus.

*The
McKinley
Tariff*

The House Ways and Means Committee, in which the bill was framed, held open house for all who desired protection. Manufacturers and would-be-manufacturers from far and near flocked in to have their products added to the protected list or, if already there, to have the duties on them increased. In the Senate the bill under the guidance of Nelson W. Aldrich, arch-protectionist and himself an industrialist, was amended at Blaine's urgent request so as to include a reciprocity provision. The law as finally enacted (October 1, 1890) seemed to throw a protective blanket around every economic activity. The farmers, who were burning their corn and were unable to sell their wheat, potatoes, butter, and eggs because the world market was glutted, were "protected" from foreign competition by a tariff on these products. The rates were slightly raised on raw wool, and unrefined sugar was placed on the free list, but domestic sugar producers were given a subsidy of two cents a pound. The repeal of the duties on sugar promised to reduce the surplus at least \$60,000,000 annually, whereas the subsidy would withdraw other millions. Manufacturers were, of course, the chief beneficiaries. The duties on higher grade woolens, linens, cottons, shoes, and other higher priced articles were virtually prohibitive.

*The
reciprocity
provisions
of the law*

Secretary of State Blaine, as previously observed, was responsible for the reciprocity section of the tariff bill. During the time when the McKinley bill was being debated in the House, Blaine was presiding over the first Pan-American Congress, and he was eager to open South America to the products of the United States by a system of reciprocity of duties. He vainly urged McKinley to incorpo-

rate such a feature in the bill; but it was not until the Senate passed upon it that Blaine obtained his wish. Even then it was in an inverted fashion. In the tariff bill sugar, molasses, coffee, tea, and hides were on the free list; but under the reciprocity provision, if the President thought the country producing these commodities and selling to the United States were charging unfair duties on American goods, he could impose certain duties on them. Blaine, as a result of this, was able to obtain a reduction of duties in Cuba, Porto Rico, Jamaica, Trinidad, Barbados, British Guiana, Salvador, Nicaragua, Honduras, Brazil, Guatemala, and some slight concession from Germany and France. Haiti, Colombia, and Venezuela were the only countries against which the retaliatory duties were imposed.

POPULAR REACTION TO THE WORK OF "THE BILLION DOLLAR CONGRESS"

The Pension Law, Force Bill, Antitrust Law, Silver Purchase Law, Tariff Law, and the usual numerous pork barrel measures for draining swamps on top of hills and making dry creeks navigable, as well as the essential business of building coast defenses, warships, and dredging harbors—all made an imposing record for the Fifty-first Congress; but each of these measures had antagonized groups who had supported the Republicans in 1890. The impression was that Congress had been completely reckless in spending money and it won the none-too-alluring title of "the billion dollar Congress."

*Many groups
antagonized
by "the
billion dollar
Congress"*

But the most damaging measure of all was the McKinley Tariff. Mills, the tariff reformer and author of the Mills Tariff Bill of the previous Congress, had spoken the epitaph of the McKinley Tariff and of the Fifty-first Congress dominated by the high protectionists in his final speech on the McKinley bill: "When you leave this House and Senate with this enormous load of guilt upon your heads and appear before the Great Tribunal for trial, may the Lord have mercy on your souls." The country had given Cleveland 100,000 majority over Harrison in the election of 1888 in which the tariff had been the chief issue; yet the protectionist leaders had conducted themselves as if they had been given a mandate by an overwhelming majority. The increasing hard times of the farmer after the election—manifested politically in the Alliance and Populist movements (pp. 265 ff.)—when the prices of farm produce and livestock were sinking to new low levels, gave an opportunity for an understanding of Cleveland's tariff doctrines: that the consumer pays the tariff in higher prices, that therefore tariff is a special tax for the benefit of a privileged group, that it causes retaliatory tariffs to be levied by foreign countries, and that farm products raised in excess of do-

*The unfav-
orable reaction
to the
McKinley
Tariff*

mestic demands cannot be protected. To add to the argument that tariffs mean higher prices, merchants and manufacturers raised the prices of their goods before the tariff law went into effect. Harrison's own Postmaster General, John Wanamaker, permitted the managers of his great store in Philadelphia to urge the customers to "purchase now before prices go up." According to Republican opinion, peddlers were sent out by the Democrats to offer for sale protected articles at outrageous prices, always explaining that the advance prices were the result of the McKinley Tariff. Speaker Reed was of the opinion that traveling salesmen did more than the peddlers. They were "intentionally or unintentionally, missionaries to preach Democratic doctrine. They went all over the country with the stories of advances in prices that were to be made next week or next month on account of the McKinley Bill." But even more important were the women who do most of the shopping. "They heard in every store the clerks behind the counters explain how this article or that could not be sold hereafter at the former price because of the McKinley Bill; they went home and told their husbands and fathers and their stories had tremendous effects at the ballot box."

*Republican
defeat in 1890*

The resulting congressional election in the fall of 1890 was a Democratic landslide. Michigan, Wisconsin, Iowa, and Ohio, traditionally Republican, elected a majority of Democratic Congressmen. Even the New England States went Democratic. The new Congress had 235 Democrats in the House compared with 159 in the previous Congress, while the Republicans were reduced from over 170 to 88. In the Senate the Republican majority was only eight and more than this number were from the Mountain states in sympathy with the Populist movement. Reminiscent of the Greenback Party in the election of 1878, which had cast one million votes and had elected fifteen Congressmen, the new Populist Party, built from the Farmers' Alliances, elected nine members of Congress. As in the case of the Greenback movement, however, scores of Congressmen in both parties elected in 1890 were in partial or complete sympathy with the program of the Populist Party, but were unwilling to break with their old party. From 1890 to 1896 this farmer's movement combined with that of the silver miners was the dynamic factor in politics. It will be discussed more at length below (pp. 265 ff.).

The serious defeat of the Republicans in 1890 virtually ended the legislative work of the Harrison Administration, and brought condemnation on what had already been done.

CHAPTER XIII

The Embattled Farmers

A REVIEW OF THE FACTORS OF DISTRESS

AS has been said before, the period from 1865 to near the end of the century was one of an inexorable decline in the prices of farm commodities. It has been estimated that the prices of farm products in 1865 and 1896 were as 132 to 40; that the farmer received only one third as much for the same amount of farm products in 1896 as in 1865. The latter year, however, is not a good choice, since high war prices still prevailed. The prices of the three most important agricultural staples are listed from 1870 to 1896 and would be more nearly the true picture:

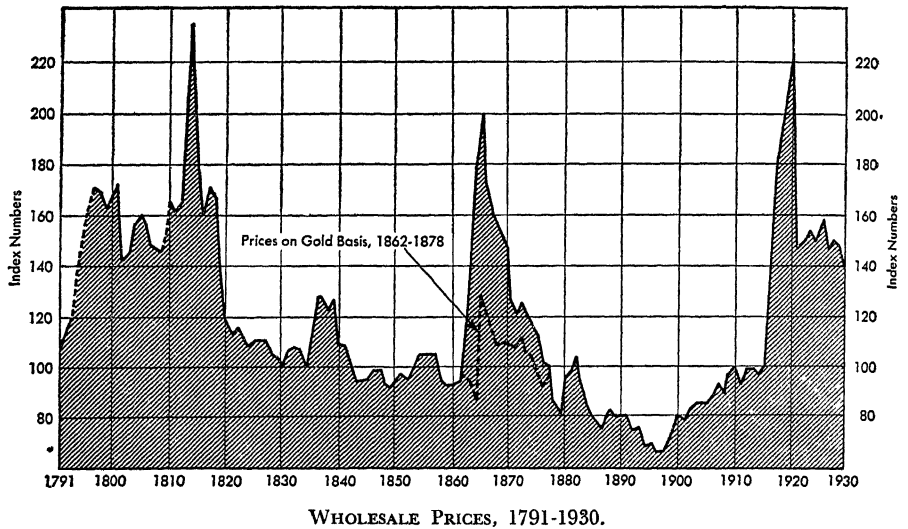
*The long
period of
decline in the
prices of farm
commodities*

<i>Years</i>	<i>Wheat per bushel</i>	<i>Corn per bushel</i>	<i>Cotton per pound</i>
1870-73	106.7	43.1	15.1
1874-77	94.4	40.9	11.1
1878-81	100.6	43.1	9.5
1882-85	80.2	39.8	9.1
1886-89	74.8	35.9	8.3
1890-93	70.9	41.7	7.8
1894-97	63.3	29.7	5.8

Every other farm product including beef cattle and pork declined in a similar fashion.

The prices listed above are those taken from the great market centers like Chicago, New Orleans, and New York. The price which the farmer received at his local market did not compare with these. For example, in 1870 it cost fifty cents a bushel to ship grain from the Mississippi to the Atlantic seaboard, not to mention elevator charges and the cost of hauling from the farm to the local market, and from the local market to the shipping point. But corn, it will be observed, averaged about forty-three cents in 1870 in the large cities. The prices on the local market were far lower than those quoted in Chicago or New York. It is commonly estimated that in Kansas and Nebraska, and the Northwest generally, corn seldom brought much more than fifteen cents a bushel, while it can be

demonstrated that it cost about twenty cents a bushel to raise it. Wheat sank as low on the local markets of the Northwest as forty-two cents a bushel, usually averaging only a little more than half the prices quoted in Chicago and New York, and here again it could be statistically demonstrated that the cost of raising wheat was not less than forty-five cents. Cotton fared somewhat the same, although the difference between the principal market and the local market was not so great as in the case of grain. Cotton and cotton seed



combined, however, seldom brought more than fifty dollars per bale (500 pounds) in the 1880's, and the average single family cotton farm did well to grow five bales. Again it was estimated that it cost forty dollars a bale to grow and market cotton. From 1890 to 1897 the farmer received scarcely thirty-five dollars a bale for his cotton and cotton seed, and at times a bale brought less than twenty dollars.

Indeed, it is perfectly easy to demonstrate statistically that the Western and Southern farmers during much of the period, 1865-1900, were marketing their crops for less than they cost to grow. Worse than dormant animals who live off their accumulated fat, they were living off their future fat and that of their children—borrowed money and goods purchased on credit.

*A sinister
force believed
to be
responsible*

Although overproduction was an important factor in creating the depressed condition of agriculture, the farmer laid his evil plight at the door of a sinister force intent upon bringing all things and all men into subservience to itself. Sometimes this force was

spoken of as Wall Street, sometimes it was the vested interests or big business, at other times it was the railroads and the trusts, and finally it was all of these dominated by the "Gold Bugs" who had loaned cheap money and were drawing interest and demanding repayment of principal in terms of gold.

When the railroads were being built many farmers had subscribed to stock; and they had voted for their county to issue bonds with which to purchase stock or to make an outright money grant as an inducement for the railroad to come through their section. In the mad stock gambling described earlier (pp. 145 ff.), the farmers saw roads loaded to bankruptcy with bonded debts, made for no other purpose than to be carried off as loot by such men as Gould; and in the reorganization and stock watering that succeeded each looting by the speculators, they witnessed the decline and final end of the value of their stock and that of their counties and villages. On top of this they paid taxes to meet the interest on the bonds which their communities had floated in aid of the railroad. Even these indignities might have been bearable, but they were only the introductory chapter to the farmers' grievances against the roads. Usually there was, in the West at least, only one road passing through any large section of the country and no navigable stream; and having no competition within the area it could and did charge all that the traffic would bear. At the same time the road would charge less, or certainly no more, for a long haul where there was a competing line, than for a short haul where there was no competition. Then the scandalous system of rebates such as that arranged with the Standard Oil Company and the cattle kings was common knowledge.

*Exploitation
by the
railroads*

The farmers believed, too, that deflation of the currency and the general contraction of the volume of money in circulation after 1865 in terms of population and industrial growth were important causes of the low prices obtained for farm commodities. This belief had considerable foundation; for the volume of money in circulation in the period from 1865 to 1890 increased from an estimated \$1,000,000,000 to only \$1,678,000,000, but the population increased from about 33,000,000 to 62,000,000. This was a decline from \$30.30 per capita to \$27.06 per capita during the period when the United States was undergoing such an enormous industrial and agricultural expansion.

Deflation

THE GRANGER MOVEMENT

The farmers soon attempted to free themselves from the burden which, they felt, was laid upon them by the railroads, the banks, the makers of farm machinery, the supply merchants, and the state

*The
organization
and purposes
of the Grange*

and national governments themselves, which appeared to them to be mere tools in the hands of the financial and industrial interests. As early as 1865 farmers organized clubs in the West for the purpose of discussing their problems and bringing some pressure to bear upon their representatives in the state and national legislatures. Within a few years these local clubs as a rule were swept into a national organization bearing the title of the National Grange of the Patrons of Husbandry and called usually the Grange. The Grange, a secret order with passwords and other such fascinating mummary, was founded by O. H. Kelley, an employee in the United States Bureau of Agriculture. The original purpose was social and scientific, educational and nonpolitical. Farmer-families of a community were to meet, lectures on scientific agriculture were to be given, and the practical problems of the farm and household were to be discussed. In 1868 Kelley resigned his position in the Bureau of Agriculture, and without much more than faith, hope, and charity, took to the road to spread the idea of the Grange and to organize local groups. Once out in the field, Kelley and his associates shifted the emphasis from the social and intellectual programs to co-operative action against the railroads, farm loan companies, warehouses, elevator companies, commission merchants, and supply merchants—in fact against all those who were believed to be exploiting the farmers.

*Opposition
and the panic
of 1873
stimulate the
growth of
the Order*

The business and industrial interests, against which they were directing their efforts, became alarmed at the prospect of organized resistance from the farmers; and bankers, merchants, and loan companies attempted to intimidate members of the Grange by foreclosures of mortgages and refusals to lend them money or to renew old loans. Such action on the part of the moneyed interests only served to convince the farmer of the need of closer co-operation; and the panic of 1873, which was quite correctly laid at the doors of speculators including the farmers themselves who had bought more than they could pay for, quadrupled the membership of the Grange. By the end of that year the Order had been established in all except four states, and by 1874 it attained its greatest size with an estimated membership of from 700,000 to 1,500,000 and with 15,000 to 20,000 local Granges. The most thoroughly organized states were Minnesota, Iowa, Wisconsin, Illinois, and Indiana in the Northwest and Mississippi and South Carolina in the South.

*Co-operative
buying and
selling by
the local
Grange*

While the Grange is remembered today chiefly because of the influence it had in establishing state regulation of railroads and elevators, it experienced considerable success in dealing with the commission merchants and the manufacturers of farm machinery.

Reapers and threshing machines were priced as high as \$225 and mowing machines \$125, and it was contended, with much truth, that such manufacturers as McCormick were making not less than fifty per cent profit, while the local dealers frequently made seventy-five per cent in addition. The Grange set out to remedy this skinning by eliminating the middle man. The locals successfully, for a while, undertook co-operative buying directly from the factory. Sometimes this was done by setting up a co-operative store, but more often by establishing an agency that would send the orders of the members in wholesale lots to the jobbers or manufacturers and thus obtain wholesale rates. The co-operative stores were as a rule short-lived affairs and failed because they were managed by men with little business experience; but group purchasing through an agent was quite successful, and mail-order houses such as Montgomery Ward made special arrangements with the Granges. Agencies for selling farm produce were likewise fairly successful. Co-operative creameries, grist mills, warehouses, elevators, and even packing plants and insurance businesses were successfully operated by the locals.

Finally, however, in just indignation against McCormick and other manufacturers of farm implements who, protected by the tariff, had no foreign competition, the National Grange took the fatal step of manufacturing farm machinery itself. In 1873 the Iowa State Grange had purchased a small plant, manufactured several hundred harvesters, and sold them at a price far lower than the farmers had been paying. At about the same time the Iowa Grange bought or established several other factories for the manufacture of plows and other farm implements. Believing that the Iowa factories were proving successful, the National Grange was persuaded to put a quarter of a million dollars into similar factories. Immediately the private manufacturers of farm machinery involved the Grange in expensive patent lawsuits, cutthroat competition, and other well-known practices used against weaker rivals by the corporations during this period. The co-operative factories went out of business just as had the co-operative stores; and throughout the Northwest most of the local Granges disbanded to avoid being held responsible for the failure of these factories.

Thus, in co-operative buying, selling, and manufacturing, the Grange traversed the same path as that which many of the trade unions and the Knights of Labor were following at this period, and often failed in these enterprises for the same reasons: inexperienced managers; inadequate capital; cutthroat rivalry by more powerful competitors; and lack of confidence on the part of local chapters in their national organization.

The Grange undertakes the manufacture of farm implements with disastrous results

Reasons for the failure of the co-operative enterprises

*The political
influence of
the Grange*

The Grange had been launched as a nonpolitical order; but the members were instructed to help purge their respective parties of evildoers, to help "put down bribery, corruption and trickery, and to see that none but competent, faithful, and honest men" were nominated as candidates for office by their party. The year 1874, when the Grange reached its peak, was an election year; and individual members organized into political clubs, which combined with nonmembers to launch local third party movements in at least eleven of the Northwestern states. These were known under various titles as the Reform, the Independent, the Anti-Monopoly, and the Farmers' Party; and their chief objectives were those of the Grange. The third parties and members of the Grange almost invariably allied with the minority party, which in the Northwest was the Democratic Party. The Grange and its allied clubs contributed their share to the political tidal wave of 1874 against Grantism and reconstruction, when the Republican Congress was replaced in the lower house by one overwhelmingly Democratic, and when many state and local governments experienced similar revolutions.

*The Granger
laws:
The state
regulations
of railroads*

It was in the state government, particularly in the Northwest, where, during the early seventies, the influence of the Grange and of the embittered farmers was felt the strongest. The railroads and grain elevators for the first time had a restraining hand laid upon them. In 1869 the Illinois legislature passed a law designed to limit railroads to "just, reasonable, and uniform rates," but failed to provide machinery for its enforcement. Under strong pressure from the Grange and farmers' clubs, the legislature established maximum passenger and freight rates, and set up a railroad and warehouse commission to enforce this and other laws regulating transportation, grain elevators, and warehouses. The railroads challenged the constitutionality of these regulatory laws; and the state supreme court in January, 1873, upheld the position of the railroads by declaring the law regulating freight rates unconstitutional. The farmers held a convention at the state capital the following April, and the legislature thus prompted enacted regulatory laws calculated to avoid constitutional objections.

In Minnesota an act was passed in 1871 establishing uniform freight and passenger rates and providing for a railroad commission to enforce the regulations. The railroads refused to obey the law just as they had in Illinois on the ground that it was unconstitutional, but the state supreme court upheld the law. In 1874 the legislature substituted a law with some improvements only to repeal it the next year under railroad pressure and the depression following the panic of 1873. Iowa and Wisconsin both passed laws in 1874

establishing maximum railroad and elevator rates, and set up a commission to enforce the laws. But the railroads by intimidation and bribery, combined with the hard times following the panic, brought about a repeal of the Wisconsin law in 1876 and the Iowa law in 1878. The railroads chose to obey the Iowa law until it was repealed, but they disregarded the law of Wisconsin until the state supreme court declared it constitutional.

The Granger laws, as already suggested, not only regulated railroads but grain elevators, warehouses, and other quasi-public businesses as well. In 1869, for example, grain elevators were declared by an act of the Illinois legislature to be public warehouses subject to state regulation. In 1871 the Illinois legislature established maximum rates for grain elevators, prohibited discrimination between customers, and required the publication the first week in January of each year of their rates for that year. Other states in the Northwest enacted similar legislation. Even in the South, where reconstruction was keeping things in a chaotic condition, state regulation of business was not entirely ignored. In Louisiana the butchering of cattle had been, for the safeguarding of public health, subjected to state regulation. A corporation was established by law in New Orleans, with the exclusive right of slaughtering and butchering livestock in that city and certain surrounding areas. Other butchers were required to use the plant established by law, paying the legally prescribed rates.

The regulation of grain elevators and warehouses

As soon as the state supreme courts upheld the constitutionality of the laws regulating the railroads and other public businesses, these corporations began a concentrated campaign of coercion and propaganda to bring about the repeal of the Granger laws. Since the Grange declined rapidly in influence and membership during the depression and after its unfortunate venture in the manufacturing of farm machinery, the farmers were unable to act in concert as formerly, or were afraid to do so; and the railroads were successful in having most of the Granger laws repealed by 1878. Thus the Granger movement apparently failed to curb the outrageous practices of the railroads and elevators.

Repeal of most Granger laws brought about by railroads

Yet the movement was by no means a failure. The railroad and warehouse commissions established by these laws remained in existence as fact-finding and advisory bodies, and commissions were established in states where none had existed before. These commissions performed a great service in educating the public on the railroad problem, thus bringing about the enactment of better state laws during the next decade and aiding in the passage of the Federal Interstate Commerce Law of 1887.

Much good accomplished by the Granger movement; the railway commissions

*The
Granger
Cases*

Above all, however, the Granger movement achieved a great victory in the United States Supreme Court in a series of decisions rendered by that body in October, 1876, which established the principle of control. These decisions marked the beginning of the end of the one-sided principle of *laissez faire* as it had operated under the state and Federal governments, by which corporations had been protected by the tariff, the constitutional inviolability of contracts, and other barbed-wire entanglements of the Constitution, but by which the individual and public were left without defense. Already in the Louisiana slaughter-house cases, the United States Supreme Court had in 1873 denied the right of the Federal government to interfere with state regulation of business when such regulation did not infringe upon the rights of Federal citizenship or deny to any one the equal protection of the law or the due process of law (p. 106). The Granger decisions of 1876, although later reversed on certain points, fixed the principle in American constitutional law that railroads, public utilities, and other quasi-public enterprises were subject to government regulation.

(a)
*Warehouse
regulation*

The first case, *Munn vs. Illinois*, was concerned with the Illinois Warehouse Act, which established maximum charges for the storage of grain in elevators. The plaintiff contended that the act deprived the owners of the elevators of property without due process of law in violation of the Fourteenth Amendment. Due process, he contended, was a judicial, not a legislative, process. But the Court held that it was the right and duty of government to enact laws regulating "the manner in which each shall use his own property," when the business in which the property was employed was public in nature, and "when such regulation becomes necessary for the public good." The Court based its action to a considerable extent upon the principle of the English common law long applied in America by the individual states, which sanctioned the government regulation of all business of a public nature such as ferries, common carriers, turnpikes, gristmills, and bakeries. The Court then laid down its fundamental rule for the regulation of property:

Property does become clothed with a public interest when used in a manner to make it of a public consequence, and affect the community at large. When, therefore, one devotes his property to a use in which the public has an interest, he, in effect, grants to the public an interest in that use, and must submit to be controlled by the public for the common good. . . .

The elevators in Chicago thus devoted to public use were clothed

with such a public interest, and were subject to state regulation. The Court held that the imposition of maximum charges was a legislative and not a judicial function. The Court conceded that the legislature could abuse this power; but for protection against abuses of legislatures, the people must resort to the polls, not to the courts. The plaintiff's contention that the fixing of rates by legislation was a violation of the "due process of law" clause of the Fourteenth Amendment was denied.

In the railroad decisions, such as *Peik vs. Chicago and Northwestern Railroad*, and the *Chicago, Burlington and Quincy Railway Company vs. Cutts*, the Court likewise applied the principle that the railroad business was clothed with a public interest, and that the state legislatures had the right to impose maximum passenger and freight rates on commerce within the state without being subject to judicial review. The Court also held that in the absence of Federal law the state could regulate interstate commerce. The contention of the plaintiffs in these cases that the laws regulating railroad rates violated the due process clause of the Fourteenth Amendment and the interstate commerce clause was denied as in the *Munn* case.

As was stated above, the Supreme Court of the United States later reversed certain principles of the Granger decisions. In 1886 in the case of the *Wabash, St. Louis and Pacific Railway Company vs. Illinois* the Court decided that the state could not regulate railway rates beyond its borders but that interstate commerce was under exclusive Federal jurisdiction. In 1889, the Supreme Court in the case of the *Chicago, Milwaukee and St. Paul vs. Minnesota* declared a Minnesota law unconstitutional because, by depriving the railroad of the right to have the courts pass on the reasonableness of rates established by legislative action, it deprived the railroad of property without due process of law in violation of the Fourteenth Amendment. By this decision the courts and not the legislature were made the final judge in determining whether or not rates established by the legislature were so low as to amount to the deprivation of property without due process of law.

In both the *Wabash* case and the *Minnesota* rate case the Supreme Court reversed its earlier decision in the slaughter-house cases concerning the Fourteenth Amendment. In the slaughter-house cases the Court had declared that the Fourteenth Amendment was intended to protect a human "person," the Negro, and it brushed aside the contention that a corporation was a "person" who was protected by the due process clause of this Amendment. In the *Wabash* and *Minnesota* cases, and ever after that, the Supreme Court

(b)
Railway
regulation

Later reversal
of some
principles of
the Granger
decisions

(a)
Interstate
commerce
under
exclusive
Federal
jurisdiction

(b)
A corporation
declared
a person

conceded a corporation the status of a human person with all the safeguards of the Fourteenth Amendment. It was probably in a large measure due to the conception of a corporation as a person within the purview of the Fourteenth Amendment that the Supreme Court henceforth insisted that all rates fixed by legislative action or railroad commissions were subject to judicial review.¹

THE GREENBACK MOVEMENT

*The old
demand for
inflation
renewed*

The failure of the Granger movement to eliminate the middle man and to reduce the cost of transportation caused the farmers to return to an older plan for creating prosperity—namely, the increase of the volume of paper money in circulation. This was to be accomplished by increasing the amount of greenback issues. As already noted, the farmers of the West had advocated since the end of the Civil War the payment of the national debt in greenbacks (p. 209). It has also been observed that the National Labor Union after 1868 advocated inflation by refunding the Civil War debt in three per cent bonds convertible into greenbacks. Although the National Labor Union was less interested in inflation as such than the reduction of interest rates and taxation, still there was much sentiment in favor of inflation because of the belief that it would create employment by stimulating prices. The farmers were equally interested in obtaining government money at three per cent; but their chief motives were to increase the value of their farm products and to arrest the progress in the appreciation of the dollar and consequently of their debts.

*Organization
and aims of
the Greenback
Party*

In March, 1875, in answer to the demand for currency inflation, a national convention, representing greenback clubs and independent parties from the Midwest and labor unions from the East, met in Cleveland and organized a political party officially named the Independent Party, but usually calling itself the Greenback Party. The platform of the party advocated many things which had been incorporated in the former National Labor Union demands as well as those of the Grange. But the chief purpose of the party, as was indicated in its name, was the inflation of the currency by the refunding of the national debt in bonds convertible into greenbacks. In order to accomplish this end the resumption act of 1875 was to be repealed first. This act, as will be recalled (p. 69), had fixed January 1, 1879, as the date on which the United States Treasury would redeem the greenbacks at their face value in gold. Should the resumption act not be repealed and greenbacks should

¹ Corporations, of course, had been long considered "persons" as far as the relationship with the Federal government was concerned.

be redeemed in gold, the appreciation of the greenback dollar from 1875 to 1879 would amount to about fifteen cents, since greenbacks at the time were worth about eighty-five cents on the dollar. Another obnoxious feature of the resumption act from the standpoint of the Greenback Party was the provision for the retirement of \$82,000,000 of greenback currency. The resumption of specie payment and the retirement of such a large volume of greenbacks contemplated by the resumption act were deflation measures; and when it is remembered that the farmers and laborers were at the very bottom of the depression at the time, it can well be understood how desperately they viewed the resumption act. Its repeal even without any reference to the further issue of greenbacks seemed of paramount importance.

In 1876 the Greenback Party nominated Peter Cooper of New York for the Presidency, who received only 80,000 votes. But the state and congressional elections were powerfully influenced by the party; and hundreds of thousands of voters in both Democratic and Republican Parties supported candidates who were in sympathy with its program but who retained their party allegiance.

*Its influence
in the election
of 1876*

The increasingly desperate plight of the farmers of the South and West and the widespread labor disturbances and strikes of this period caused a rapid growth of the Greenback Party. In February, 1878, numerous independent farmer groups and representatives of labor organizations met with the Greenback Party in a convention at Toledo, Ohio, and organized the National Party, commonly called the Greenback Labor Party. The new party protested against the impending resumption of specie payment and the contraction of the volume of greenbacks provided for in the resumption act of 1875. It demanded that all national bank notes be withdrawn and that the government issue currency to be legal tender at its face value. The party now came out for another inflationary measure—the free coinage of silver. Although money and currency inflation was the chief object of the farmer element, other demands were made on behalf of the labor unions such as the reduction of the hours of labor, the abolition of the convict lease system, the suppression of Chinese immigration, and the establishment of a bureau of labor statistics. It will be noted that the chief demands of the Greenback Labor Party were essentially those of the old National Labor Union and of the Knights of Labor (pp. 163 ff.). It is indeed quite interesting to observe that during most of the depression years following the Civil War the demands of labor unions and farmers were similar.

*The
Greenback
Labor Party;
the demands
for currency
inflation, free
silver, and
labor reforms*

In the election of 1878 the Greenback Labor Party cast more than

The gains in the election of 1878 not a true test of the inflationist movement

a million votes and elected fifteen members to Congress and many state officers. The most outstanding person elected to Congress by this party was General James B. Weaver of Iowa, a former Republican, who continued as a leader of the agrarian revolt through the Alliance, Populist, and free-silver movements. But the strength of the inflationist movement cannot be judged by the number of Greenback Labor Party candidates elected to office, for many Congressmen and Senators, both Democratic and Republican, from the South and West were in sympathy with the inflationary aim of the Greenback Labor Party, but were unwilling to break with their own parties or to accept other features of the third party program. The strength of the movement at this time is seen, rather, in the vote in Congress on the free-silver bill (p. 211), in the passage of the Bland-Allison Silver Purchase Act, and in the partial repeal of the resumption act in the latter part of the Hayes Administration, discussed elsewhere (pp. 209 ff.).

The demand for cheap money subsides temporarily after 1878

The demand for cheap money weakened considerably for a few years after the campaign of 1878. The temporary loss of interest among the farmers in inflation was probably due to the return of prosperity which lasted for a few years. Crops were good during this period and, due to crop failures in Europe, prices were higher. As usual the farmers in prosperity lost their cohesion.

THE FARMERS' ALLIANCE MOVEMENT

The organization of the Northern and Southern Alliances

By 1884 hard times had returned and once again the farmers resumed their organization to wage the struggle which the Grange and other farmers' groups had waged during the previous decade against railroads, monopolies, banks, and land sharks. The Farmers' Mutual Benefit Association, the Agricultural Wheel, the Patrons of Industry, the Farmers' Union, the Grand Alliance of Texas—all were among the earlier farmers' groups of this period. But the most powerful were the two great sectional organizations, the National Farmers' Alliance of the Northwest, and the Farmers' Alliance and Industrial Union, together with its affiliated body, the Colored Alliance, centered in the South. The National Farmers' Alliance, or Northern Alliance, was founded in 1880 by Milton George, editor of a farm paper in Chicago. During the prosperous years before 1885 the Alliance was a weak and obscure organization. But the decline of the livestock and grain markets beginning in 1884, the long drought that commenced in 1887, the severe winters that destroyed so many cattle, and the collapsing of Western credit, all served to put the farmers in a state of desperation. The Alliance then spread over the Northwest with seven league boots, so that by

1890 it had a network of locals covering ten states. The Northern Alliance was, however, loosely organized and each state alliance was virtually independent of the parent body. The Southern Alliance under the leadership of C. W. Macune had grown from the Grand Alliance of Texas by uniting with the Agricultural Wheel and the Farmers' Union. It soon embraced the South and several Western states and, because of its compact centralized organization, was an efficient instrument for pressing the demands of the farmers upon Congress and state legislatures and in dealing with the corporations. Tearing whole pages from the history of the Grange, both Alliances established co-operative buying and selling agencies.

The two Alliances, together with several other farm groups including the Colored Alliance, met in St. Louis in December, 1889, for the purpose of uniting; but it was not found to be desirable or even possible. The weaker Northwestern organization, representing not only farmers but also veterans of the Union army, was fearful of Southern domination should it throw in its lot with the Southern Alliance. Then, too, the hog growers and dairymen of the West were anxious to suppress the cotton seed oil industry of the South, which in the form of lard substitutes and oleomargine was threatening the market for hog lard and creamery butter. The race problem was a deterrent to unification, while the two Alliances could not agree on the form of organization—the Southern Alliance insisting on a highly centralized body and the Northern Alliance on a series of loosely joined state bodies.

Nevertheless the two Alliances agreed substantially on a set of principles, which they incorporated in their platforms, and which were in a short while to become the platform of a new political party, the Populist or People's Party. Although the platforms adopted at St. Louis were very similar, the Northern Alliance placed emphasis on controlling the railroads, the chief problem in the West, and the Southern on establishing a cheap credit system, the most vital problem in the South. The Southern Alliance advocated the establishment of the Sub-Treasury system by which the government would store produce, especially cotton, in government warehouses and issue greenbacks against warehouse receipts. Both advocated government ownership of railroads, telephones, and telegraphs, and both advocated inflation of the currency by the issuance of greenbacks and the unlimited coinage of silver.

The power of the Alliance movement was demonstrated in the election of 1890. Led by "Sockless" Jerry Simpson; Mrs. Mary Elizabeth Lease of Kansas, who advised "the raising of more hell and less corn"; Ignatius Donnelly of Minnesota, Shakespearean

*The
unsuccessful
attempt to
unite the
two Alliances*

*The
substantial
agreement of
the platforms
of the two
Alliances*

*Power of
the Alliances
shown in
the election
of 1890*

scholar, lecturer, fire eater, and agrarian radical; and James B. Weaver, former Greenback candidate for President, the Northern Alliance and other farmers' organizations, under the name of the People's Party, elected two United States Senators and eight Representatives, and gained control of the Kansas and Nebraska legislatures. In several other Western states the Alliance or Populists joined with the Democrats and won the election.

In the South, where the one-party system had enabled the whites to maintain political control since reconstruction, Alliance men refrained from forming a third party. Instead, they undertook to nominate only Democrats who were in sympathy with their program; indeed, whenever possible the Alliance proposed to capture the Democratic Party. The Southern Alliance had some able leaders at this time. Colonel L. L. Polk of North Carolina, editor of the *Progressive Farmer* and President of the Southern Alliance, Thomas E. Watson of Georgia, and Benjamin F. Tillman of South Carolina were the new spokesmen of the Alliance men, or "wool hat boys." The Southern Alliance elected governors in South Carolina, Georgia, and Tennessee, and aided in the election of the governor of Texas. It won control of the legislatures in eight Southern states, and sent an estimated forty-four members to Congress and claimed two United States Senators.

THE FORMATION OF THE POPULIST PARTY

The desire of the Northern Alliance to form a third party; the opposition of the Southern Alliance

To those who might run and read it was obvious that the Alliance and other farmers' organizations had wielded strength enough in the election of 1890 to determine its results. It was a Southern and Western farmers' triumph, which the Eastern-dominated Republican Party had brought upon itself. But the Northern Alliance and the more radical Southern leaders, such as Thomas E. Watson and W. H. Felton of Georgia and R. F. Kolb of Alabama, were unwilling to permit the Alliance to remain a nonpartisan body, which confined itself to supporting Alliance candidates whether Democratic or Republican. The third party organization, which the Alliance leaders of Kansas had so successfully undertaken in the name of the People's Party, should, it was insisted, become a nation-wide third party and extend its agrarian blessings to the whole country. This third party was the rock upon which the Alliance movement was wrecked; for the more powerful Southern Alliance, with the exception of a small fraction, was unwilling to divide the white vote between the People's Party and the Democratic Party and thus invite the return of Republican-Negro domination. The force bill, which Lodge at the very time was attempting to put through Con-

gress, was to the Southerners a preview of what to expect should the Southern Democrats openly break ranks.¹

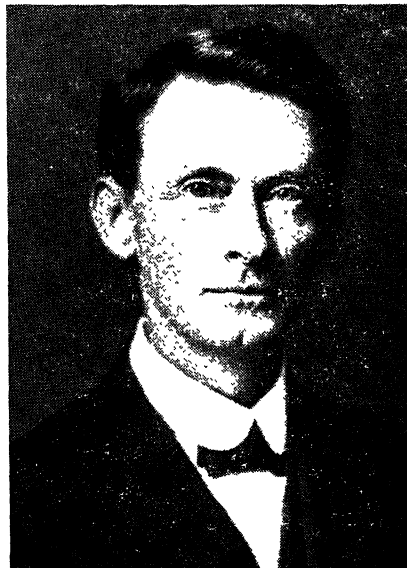
A word must be said here concerning the Southern Democrats. They were, as in prewar days, bitterly divided between so-called white counties of the upcountry and mountains and the low country. Before the Civil War there was some ground for the common

*The Bourbons
and the "wool
hat boys"*



*Courtesy of the New-York Historical Society,
New York City*

GEN. JAMES B. WEAVER.



Courtesy of Brown Brothers

THOMAS WATSON.

assertion that it was a conflict between the farmer of the upcountry and planter of the low country; but even then it had become not so much a conflict of economic interests as an intrastate conflict over political power. The low country contained the Black Belt, where in several of the Southern states three fifths of the slave population had been counted in making up representation in the state government just as in the Federal. It should not be overlooked, however, that the piney woods counties were in the low country and that the small farmers and livestock growers in this poor-land area, more often than not, voted with the Black Belt rather than with the upcountry in state politics.

¹ The force bill was similar in most respects to the force acts of reconstruction, where Federal—and even state—elections were held under Federal supervision, and where the use of troops to prevent interference with voting was authorized. The force laws, it may be recalled, were declared unconstitutional by the Supreme Court.

After the Civil War, because of the universal use of commercial fertilizer, the pine belt and the upcountry became excellent cotton and tobacco growing regions. There was then no serious conflict of interest between the agricultural population of the low country and the upcountry. Yet the representatives of the Black Belt were denounced bitterly as Bourbon Democrats, or Bourbon aristocrats, with the implication that the old planter aristocracy was in control. On superficial examination this appeared correct, for many of the political leaders were of the old planter aristocracy; but on close examination it turns out that these men were railroad, business, and corporation champions who merely spoke the old-fashioned, Southern-planter language. Wherever the individual planter of the post Civil War period supported the Bourbon Democrat, he was usually an absentee landlord and primarily a merchant or an industrialist, or his support had been gained on the grounds of the race issue. To a great extent, then, in the South, the leadership of the Democratic Party had passed into the hands of the New South leaders, who championed the industrialization and the commercial development of the South, as already observed, with something akin to fanaticism. They were the Bourbons. They were not exactly wolves in sheep's clothing, but representatives of industrialists and merchants in planters' clothing. Under their rule the farmer and bona fide planter—the "wool hat boys"—were ignored and betrayed.

Southern Alliance desires to capture the Democratic Party

One objective of the Southern Alliance was to overthrow the Bourbon rule. But, as stated, only a few embittered souls like Tom Watson were willing to divide the Democratic vote and court the return of Republican-Negro rule by the organization of a third party. The Southern Alliance would, on the contrary, by mobilizing the farmer vote, seize control of the Democratic Party. Unless the Northwestern Alliance did likewise and thus controlled the National Democratic Party, the Alliance program which depended primarily upon the action of the Federal government could not be carried out.

The Western Alliance launches the Populist Party; its platform

The Western Alliance, however, was composed largely of Union veterans of the Civil War and ex-Republicans who bore no love for the Democratic Party and who would not be willing to join it. Only a third party would satisfy them. They were already singing the song, "Good-bye, Mr. Party, Good-bye" to the tune of "Good-bye, my Lover, Good-bye," and carrying the farmers of the West into the People's Party like converts at an old-fashioned Methodist revival. The earnest pleadings and warnings of the powerful Southern Alliance were not heard in the great emotional upheaval of the Northwest; and in May, 1891, the Northwestern Alliance

prolific womb of governmental injustice we breed the two great classes—tramps and millionaires.

The Democratic and Republican Parties were impartially excoriated. For twenty-five years they had ignored all vital issues and their struggles were solely “for power and plunder.” In the coming election (1892)

they have agreed together to ignore . . . every issue but one. They propose to drown the outcries of a plundered people with the uproar of a sham battle over the tariff, so that capitalists, corporations, national banks, rings, trusts, watered stock, the demonetization of silver, and the oppression of the usurers may all be lost sight of.

The Populists were ready now to bury the bloody shirt which had so long been used to divert the attention of plain farmers and laborers from the real issues. They declared that the Civil War is over, and “that every passion and resentment which grew out of it must die with it; and that we must be in fact, as we are in name, one united brotherhood of freemen.”

*The Populist
platform*

The platform setting forth the reforms thought necessary to restore government and society to a healthful state was brief; but these reforms were drastic, for they required the full entry of the Federal government into the field of social and economic legislation. Finance, transportation, and land were the chief problems. As to financial reform, the Populists demanded “a national currency, safe, sound, and flexible, issued by the general government only, a full legal tender for debts, public and private.” This currency was to be loaned directly to the people at not more than two per cent on non-perishable farm commodities stored in warehouses—the Sub-Treasury plan of the Southern Alliance—or on some other collateral. The free and unlimited coinage of silver at the ratio of sixteen to one was demanded. The circulating medium, gold, silver, and currency, should be speedily increased to not less than fifty dollars per person. Postal saving banks should be created. The transportation problem had been flatly stated in the preamble and declaration of principles: “We believe that the time has come when the railroad corporations will either own the people or the people must own the railroads.” The Populists, like their Alliance predecessors, proposed that the government should acquire the ownership of the railroads. In addition they urged government ownership of the telegraph and telephone systems. As for land with the natural resources on it and under it, government must make an effort to recapture it for the use of farmers. Corporations, speculators, and railroads must be

deprived of all lands beyond their needs, and aliens should not be permitted to own land.

In addition to those set forth in the formal platform, the Populist convention favored other reforms, such as a graduated income tax, restriction of immigration, the initiative and referendum, the direct election of United States Senators, and a constitutional amendment limiting the tenure of office of President and Vice-President to one term. *Other reforms suggested*

With a diagnosis of the organic ailments of American government and society, a diagnosis reached by the study of a quarter of a century by such groups as the National Labor Union, the Grange, the Greenbackers, the Knights of Labor, and the Alliances, the Populists went into the election of 1892 appealing to the American people to take back the country and the government from the "robber barons" and the political bosses. *The appeal for a return of the government to the people*

CHAPTER XIV

The Second Administration of Grover Cleveland

THE ELECTION OF 1892

*Cleveland
at odds with
his party; his
nomination
a matter of
expediency*

IN 1892 the Democrats were in a dilemma in their selection of a Presidential nominee. Both the Southern and the Western wings of the Democratic Party were in favor of the Populist program of inflation by the expansion of the currency and the free coinage of silver; but the Eastern Democrats and, above all, Grover Cleveland, were opposed to the inflationary movement. In order that no one should be in doubt as to his views on the free-silver issue Cleveland had written a letter in February, 1891, to the Reform Club, stating bluntly his already well-known opposition to "the dangerous and reckless experiment of free, unlimited, and independent silver coinage." Among the Eastern Democrats for whom Cleveland spoke on the silver question there was strong opposition to his low-tariff views, whereas Southern Democrats were by inheritance and conviction advocates of low tariff, and the Western Democrats now agreed with them.

In the balancing of issues, low tariff against cheap money, the possibility of success with Cleveland against defeat without him, the Southern Alliance-Democrats—who were the majority of the Southern Democrats—accepted Cleveland but without enthusiasm. As for the Bourbons, they were in agreement with Cleveland on the money question and to some extent on the tariff. Cleveland was their eager choice. The Western Democrats accepted Cleveland because he was preferable to the Republican nominee. On the other hand the protectionist Democrats of the East, led by Senator A. P. Gorman of Maryland, joined with the anti-reform Democrats, represented by Tammany and Governor David B. Hill of New York, to prevent the nomination of Cleveland and obtain that of Hill. To forward this idea, Hill called a meeting of the New York State Democratic nominating convention in February, months ahead of the usual time, and thus obtained by the snap convention a solid Hill delegation for the national convention. The "Anti-Snappers" then held a conven-

tion and sent a delegation instructed for Cleveland. The weakness of the pro-Hill movement in New York was proof enough for the politicians that Hill could not carry his own state. Furthermore, it brought the Independent Republicans strongly to Cleveland's side, and it added to his strength among Democrats both in New York and over the country to have spoilsmen of the Democratic Party come out against him. When the Democrats met in Chicago on June 21, Cleveland was nominated on the first ballot. Adlai E. Stevenson of Illinois was nominated for the Vice-Presidency.

Although Blaine resigned as Secretary of State just before the opening of the Republican convention in a bid for the party nomination, the Republican leaders were faced with the unpleasant necessity of renominating Harrison; for to do otherwise would be to repudiate their own judgment of four years before. For similar reasons they were compelled to defend the legislative record of the "billion dollar Congress," especially the McKinley Tariff, so unpopular with the Western Republicans, and the Sherman Silver Purchase Act, even more unpopular with the Eastern wing of the party. The tariff issue was sharply pointed up in the summer of 1892 by the lockout and the strike of the Amalgamated Steel Workers at the Carnegie Steel Company's Homestead Works near Pittsburgh. This strike, which has already been described in some detail (pp. 173 ff.), was caused by the reduction in the wages of the employees of one of the industries most thoroughly protected by the high-tariff system. It made the protectionist doctrine, that high tariff raised the standard of living of American labor by protecting it from competition with pauper European labor, sound insincere, and doubtless it had some bearing on the results of the election.

The greatest force in the election was the Populist and Alliance movements. In the West the Populists supported by the Democrats gained a number of congressional seats and won the twenty electoral votes of Kansas, Colorado, Idaho, and Nevada, and one each from Oregon and North Dakota, and thus robbed Harrison of these votes. By combining with the Populists, the Democrats carried Wisconsin, Illinois, Indiana, and Missouri in the Midwest, California in the Far West, and ran close races with the Republicans in other Western states where numerous Congressmen with Alliance-Populist sympathies were elected. In the South, as already observed, the Southern Alliance, which embraced the bulk of the white farmers and genuine planters, refused to divide the white vote by joining the Populist Party. The result was that a small and extremely embittered minority joined the third party movement; and, just as had been feared by the Alliance men, they teamed up with the Re-

*Republicans
compelled to
renominate
Harrison and
defend the
legislative
record of the
"billion dollar
Congress"*

*The cheap
money
Populists
and Alliance
groups elect
Cleveland, a
gold Democrat*

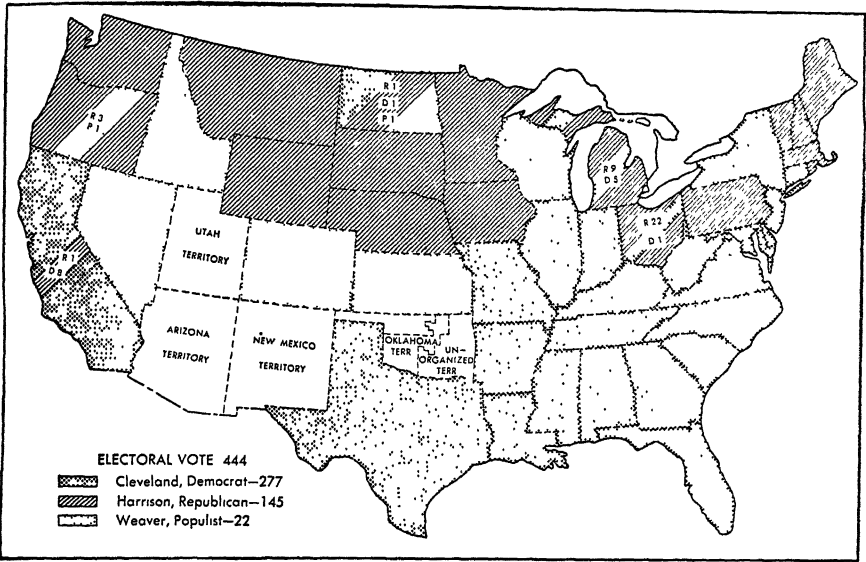
publicans and made full use of the Negro vote in their desperate attempt to oust the old Bourbon leaders. This killed the Populist movement in the South. But the Alliance captured the Democratic Party and the state governments in many of the Southern states, and where it failed to do so, frightened the Bourbon leaders into adopting the Alliance platform. An imposing delegation of representatives sympathetic with Alliance principles was elected to Congress from the South. In the election of 1892 the free-silver and pro-greenback Southern Democrats supported Cleveland in spite of his opposition to free silver, partly because of his tariff views but chiefly because he was a Democrat and was therefore considered friendly to the South.

Cleveland's failure to grasp the full meaning of the Democratic victory

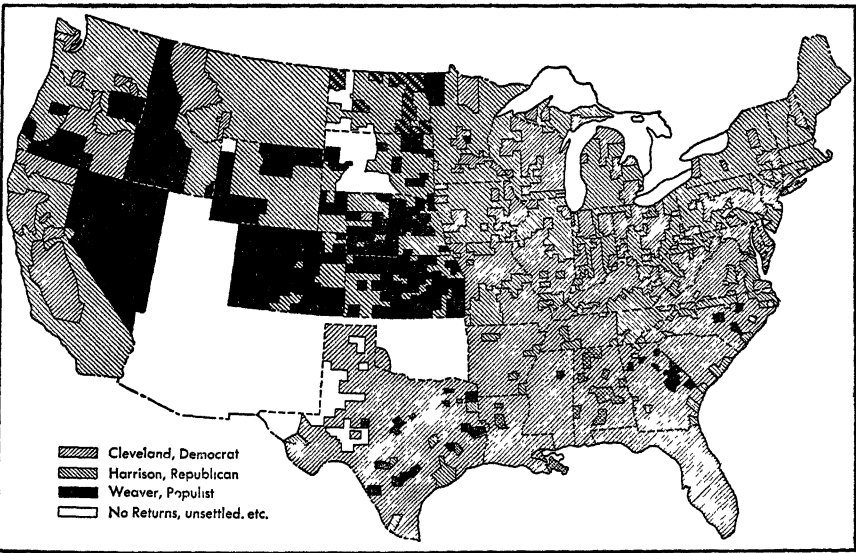
When the election returns were in, Cleveland had received 5,554,414 popular votes to Harrison's 5,190,802, and Weaver had received 1,027,000. The electoral vote was: for Cleveland, 227; for Harrison, 145; and for Weaver, 22. For the first time since before the Civil War the President and both houses of Congress were Democratic. It might seem on superficial examination to have been a rebuke to the Republican Party for the McKinley Tariff, the force bill, the extravagance of the "billion dollar Congress," and Harrison's weak policy in the civil service. To Cleveland, strangely enough from his Eastern vantage point, it appeared to be a mandate to lower the tariff and maintain the gold standard in the face of the demands of the Southern and Western wings of the Democratic Party for inflation of currency and the free coinage of silver. Although the victory in 1892 was indeed a rebuke to the Harrison Administration it was not a mandate for Cleveland to maintain the gold standard; nor was the Democratic Party the same party that had elected him in 1884. It was a new Democratic Party, permeated with Alliance and Populist principles, with which he had to deal. Only on the tariff could Cleveland expect to receive support of the Southern and Western Democrats. At the very time when the President was exerting all his energies to maintain the gold standard in the face of increasing deflation, the Southern and Western Democrats were preparing to make free silver the paramount demand of their party.

CLEVELAND'S FIGHT FOR THE GOLD STANDARD

In making up his Cabinet Cleveland appointed Walter Q. Gresham, ex-Republican of Illinois, as Secretary of State and the only near-liberal of his Cabinet; John G. Carlisle of Kentucky, Democratic Speaker of the House and low-tariff and sound-money advocate, as Secretary of the Treasury; Daniel S. Lamont of New



THE ELECTORAL VOTE OF 1892.



THE POPULAR VOTE, BY COUNTIES, OF 1892.

In forming his Cabinet Cleveland ignores both the protectionist and the Populist-Alliance wing of his Party

York, Cleveland's former private secretary, as Secretary of War; Hiliary A. Herbert of Alabama, Secretary of the Navy; Richard Olney of Massachusetts, railroad and corporation lawyer, as Attorney General; William S. Bissell, Cleveland's old law partner and close friend, as Postmaster General; Hoke Smith of Georgia, as Secretary of the Interior; and J. S. Morton, gold Democrat of Nebraska, a rare specimen in that state, as Secretary of Agriculture. Cleveland's Cabinet thus contained no representative of the Hill-Gorman faction of the East and, despite the fact that it was heavily weighted with Southerners, no single representative of the predominant, soft money, Alliance element of the South. Hoke Smith, Carlisle, and Herbert were sound-money but low-tariff Democrats. The Western Democratic farmers who had contributed so much to the election of the Democratic ticket were not ignored, they were defied by the selection of Morton as Secretary of Agriculture.

Cleveland's failure to grasp the farmers' problems; his position on the gold standard

Cleveland as always was acting in accordance with his deep convictions and not along the line of compromise and political expediency. To him the maintenance of the gold standard, in the face of the demand of the majority of his party for currency inflation through the free coinage of silver and the printing of currency, was a matter of honesty as against dishonesty. It was to him that simple. Not once did he ever seem to grasp the farmer's point of view, that maintaining the gold standard was not a matter of paying what you owed, but a matter of paying perhaps twice as much as you owed. The President, who thus stood like Horatius at the Bridge against the bulk of the Southern and Western wings of his party, could hardly expect, despite the Democratic control of Congress, to carry out the chief measures advocated in the party platform and campaign.

The panic of 1893; general causes

Scarcely had Cleveland taken the oath of office when he was confronted by what was, perhaps, the worst panic and depression in the history of the United States up to that point. During the next four years hundreds of banks, tens of thousands of business firms, and more than a hundred railroads went into the hands of receivers, while the armies of unemployed tramped the country in search of jobs.¹ The panic and depression were manifestations of the tradi-

¹ In the summer of 1894 numerous groups of unemployed were organized into armies under self-styled generals to march on Washington and demand that the government establish a system of work relief. Only a few hundred out of the several thousand that set out for Washington ever reached that city. The most famous group was that which Jacob B. Coxey led from Ohio. Coxey's army numbered at least 500 when it reached Washington, and its leader was prepared to lay his demands before Congress when he and several of his followers were arrested and the others chased off for walking on the grass near the Capitol. In advocating a work relief program, Coxey, who was a Populist, proposed specifically that the Federal government issue \$500,000,000 in legal tender notes to be spent in building roads. Such a proposal, although eventually accepted as a matter of course, was, like the other Populist ideas, many years in advance of the times.

tional business cycle. Expansion of industry, transportation, and agricultural production had been carried far beyond the capacity of society to use or purchase; capital goods, such as railroads, industrial plants, and land, had been evaluated beyond their earning capacity, and money had been borrowed on such property and reinvested in the same type of property. Such a top-heavy economic structure needs very little to bring it crashing down.

Already before Cleveland's inauguration there were ominous beginnings of the approaching economic disaster. Since 1887 the farmers of the South and West had been, as already observed, in such straits that they were unable to meet the interest on their loans or to pay the annual instalments on their reapers, binders, wagons, plows, and other farm machinery. Fertilizer and other supplies could not be paid for, so that farm-loan companies, rural banks, manufacturers of farm implements, and the supply merchants, with their chain of creditors extending to the East, were all heavily involved in the farmers' misfortune. So, too, were Western and Southern railroads, whose capitalization was already greatly inflated and whose stock was thoroughly watered. The depression in Europe, beginning in 1889 and increased by the Baring panic of 1890 in England, caused heavy liquidation of American securities and correspondingly large withdrawals of gold from this country. In the industrial East the period from 1890 to the end of Harrison's administration was one of rapidly accelerating business failures, running into the tens of thousands. The failure of the Philadelphia and Reading Railroad in February, 1893, and the National Cordage Company shortly after, together with the fast-diminishing gold reserve, brought on near-panic conditions before Harrison's term came to an end.

The usual economic causes of a panic and depression, as mentioned above, were present in the panic of 1893, but there was one other cause not usually involved—namely, the fear on the part of the business and financial institutions of a change from the gold to the silver standard. (The Southern and Western farmers, of course, were wishing for nothing so much as the adoption of the silver standard.) This fear was based upon the increasing probability that the Treasury would not be able to maintain a sufficient gold reserve to continue to redeem the greenbacks, treasury notes, national bank notes, and silver certificates in circulation. It will be recalled that Sherman had accumulated a \$133,000,000 gold reserve in the Treasury under the resumption act of 1875, with which to resume specie payment—that is, to exchange gold for greenbacks whenever demanded. This gold reserve had continued to increase

The background of the panic in the West, South, and Europe

The threat to the gold standard, a serious factor in the panic

until in 1890 it had reached \$190,000,000. After that the McKinley Tariff, the extravagance of the "billion dollar Congress," the Harrison policy of accepting currency instead of gold in payment of import duties, and foreign withdrawals all operated to reduce the reserve. But the \$301,000,000 in silver certificates issued under the Bland-Allison Act, the \$155,931,000 in Treasury notes issued under the Sherman Silver Purchase Act on the silver bullion in the Treasury, the \$382,000,000 in greenbacks, and the national bank notes estimated at about \$167,000,000 in 1890, all redeemable in gold according to Treasury practice, posed a deadly threat to the gold reserve.

*Harrison's
efforts to
postpone
the panic*

As long as there was confidence in financial and business circles that the government was able to maintain a sufficient gold reserve to redeem all currency in gold, there would be no excessive demand for such exchange. But, as observed, confidence in the government's ability to continue to redeem its paper was weakening long before Harrison's administration ended. Since 1890 the gold withdrawals had been so much greater than the accumulations that by the end of 1892 the reserve had been cut nearly in half and stood at \$108,000,000. It was only by inducing the New York banks to exchange \$60,000,000 in gold for currency that Harrison was able to present Cleveland with a reserve of \$100,982,410. In a short time, however, these bankers and others, growing more and more uneasy as they eyed the shrunken gold reserve and observed the panic spreading like a great conflagration, brought huge amounts of currency to the Treasury to be exchanged for gold.

*The repeal
of the
Sherman
Silver
Purchase Act*

Cleveland regarded the threat to the gold standard contained in the Sherman Silver Purchase Act as the prime cause of the panic and depression; nor can it be gainsaid that the prospect of having one's assets theoretically cut in half by the adoption of the silver standard—the silver dollar was worth about fifty cents in gold—would create panic. He had scarcely taken office when the reserve sank below \$100,000,000. The President, therefore, called Congress into special session on August 7, and urged it to repeal the Sherman Silver Purchase Act, and put a stop to the issuance of silver certificates, which were drawing gold out of the Treasury like an "endless chain." Although the Democratic farmers of the South and West were well aware of Cleveland's strong opinion on the question of maintaining the gold standard, and had, as already noted, supported him in spite of this, nevertheless his unqualified condemnation of the Silver Purchase Act and of the silver standard was more than they could bear. They, together with the Republicans and Populists of the Western states, stood almost solidly against the

repeal; but an alliance of Eastern Democrats, Southern Bourbons, Republicans, and representatives of the industrial areas of the old Midwest states was able to repeal the Silver Purchase Act.

The repeal did not stop the run on the reserve. The inadequate revenues under the McKinley Tariff compelled the Treasury to put the silver certificates and Treasury notes, which it had redeemed, back into circulation in order to meet the expense of government; and these certificates were immediately presented to the Treasury in exchange for gold. By January, 1894, the reserve had dropped to \$68,000,000, and Cleveland, through Secretary of the Treasury J. G. Carlisle, asked Congress to pass a law authorizing him to issue bonds for the purchase of gold to maintain the reserve. Congress, whose Western and Southern members were angry with Cleveland for bringing about the repeal of the Silver Purchase Act and who were interested in seeing the gold reserve disappear rather than increase, refused to pass such a law. The President then authorized Carlisle to sell bonds under the unrepealed resumption act of 1875. In January, 1894, the latter by the sale of five per cent bonds to the value of \$50,000,000 was able to purchase \$58,000,000 of gold; but the very bankers who sold this gold to the Federal government had obtained a good portion of it from the Treasury by presenting currency for redemption. Within a few days \$24,000,000 were thus withdrawn, so that when the books were balanced the net gain of the government was only about \$35,000,000. With the recent accumulation the reserve rose to \$107,000,000 in March, 1894; but the withdrawals continued and by August it was down to \$52,000,000. The sale of another \$50,000,000 in bonds to a syndicate of bankers in November was of little avail, for they promptly withdrew a good portion. By January, 1895, the gold reserve was only \$41,000,000, and the Southern and Western Democrats and Populists felt that at last the end of the gold standard was in sight.

At this point, however, Cleveland by a contract with J. P. Morgan and August Belmont, the latter representing the Rothschilds' banking firm of London and Paris, was apparently able to turn the tide in the gold crisis. The President agreed to permit Morgan and Belmont to purchase a special \$62,000,000 issue of thirty-year four per cent bonds at 104½, when such bonds were selling in the market at 111. Cleveland was denounced bitterly, particularly by his own party, being accused of having sold out to Wall Street in the person of "Jupiter" (J. P.) Morgan, who was at this time, it will be recalled, not only the greatest money power, next to the Standard Oil, but was gaining control of vast railway systems and steel mills and was soon to organize the United States Steel Corporation (pp. 159 ff.).

The purchase of gold by the sale of bonds fails to halt the withdrawal of gold

Cleveland's arrangement with Morgan and Belmont apparently saved the reserve

The President, however, had exacted two important concessions of the bankers in return for the sale to them at bargain prices of the bonds: \$31,000,000 of the gold was to be procured from abroad; and Morgan and Belmont were to use their influence—which was very great—to prevent withdrawals of gold from the Treasury while the contract was being carried out. Morgan, by selling bonds to the public at a considerable advance over the market price at the time and netting several millions in profit, demonstrated both to the bankers and to the President that the public was eager to purchase Federal bonds with hoarded gold.

When, therefore, a need was felt to replenish the gold reserve again, Cleveland had his Secretary of the Treasury offer the bonds directly to the public. In January, 1896, the government offered a \$100,000,000 four per cent bond issue to the highest bidder, and it was subscribed several times over. The success of Morgan and then of the Treasury in selling bonds was indicative of the return of confidence in the ability of the government to maintain the gold standard. Cleveland gave Morgan credit far beyond his deserts in saving the gold reserve. The panic was actually at an end and the business and industrial interests of the North, but not the farmers of the South and West, were nearly out of the depression.

The South and West, however, were scarcely yet at the bottom of the depression. Their anger against the President for the repeal of the Sherman Silver Purchase Act and the maintenance of the gold standard by collaborating with Wall Street was great and lasting. Cleveland, by his uncompromising and belligerent defense of the gold standard against the uncompromising and belligerent demands of the Southern and Western wing of his party for free silver and a plentiful volume of currency, had rent the party asunder on East-West sectional lines. Never again was Cleveland regarded by the Southern and Western Democrats as a leader of their party. For sixteen years after this the Democratic Party would be unable to heal this sectional breach sufficiently to elect a President.

THE TARIFF ISSUE

As a result of expending so much time, energy, and patronage in maintaining the gold standard, and thus alienating the agrarian wings of his party, Cleveland confronted the problem of tariff reduction with far less chances of success than would have otherwise been the case. To add to the President's difficulties, the Eastern wing of the Democratic Party, which had collaborated with Eastern Republicans in the repeal of the Sherman Silver Purchase Act, contained a large, high protectionist element quite eager to continue to work

Cleveland's stand creates a division of the Democratic Party on sectional lines

The internal conflicts of the Democratic Party prevent the framing of a sound tariff measure

with their Republican colleagues in preventing a genuine tariff reduction. But even the Eastern Democrats who shared the President's views on the tariff, advocated the reduction of duties at the



Harper's Weekly, September 8, 1894

GORMAN'S TRIUMPH—A HUMILIATING SPECTACLE.

expense of certain major agricultural interests in the South and West.

The original tariff bill, proposed by the Ways and Means Committee and largely the handiwork of the Committee chairman, William L. Wilson of West Virginia, a scholar and expert on public

*The Wilson-Gorman
Tariff*

finance, was in general a carefully constructed measure. By lowering the general level of import duties and thereby increasing the importation of goods from abroad, and by levying an income tax of two per cent on incomes above \$4000, it would cheapen goods for the consumer and bring in more revenue for the government. But, although the income tax which would rest largely on the urban population was pleasing to the farmers, the placing of raw wool, sugar, and lumber on the free list would injure important farm interests. Of course the placing of iron ore on the free list would antagonize the protectionist element of the East. But the House was able to pass the bill on February 1, 1894, by a large majority vote. In the Senate, however, where party strength was already closely divided, the Republicans and the protectionist Democrats under the leadership of Calvin Brice and Arthur P. Gorman rewrote the bill by making 630 amendments. The coal and iron interests traded with the sugar interests (the latter including the sugar cane and sugar beet growers and the giant sugar monopoly, the American Sugar Refining Company), and duties on iron, coal, and sugar were restored. Indeed a forty per cent *ad valorem* duty was placed on raw sugar for the benefit of the beet and cane growers, and a duty was levied on refined sugar sufficiently high to net the American Sugar Refining Company \$20,000,000 annually. The final result was the passage of the Wilson-Gorman Act in 1894, which Cleveland bitterly stigmatized as the outcome of "party perfidy and party dishonor," and which he permitted to become a law without his signature.

*The income
tax section
of the
tariff
declared
unconstitu-
tional*

*Cleveland
alienates
the common
man*

The income tax was denounced as class and sectional legislation by prominent leaders of both main parties and by the leaders of business and industry. Very soon the Supreme Court (having read the election returns of 1894), by a decision of five to four, declared the income section of the law null and void on the ground that it violated the constitutional requirement that direct taxes must be apportioned among the states on the basis of population.

If Cleveland had alienated the farmers of the South and West by his last ditch stand for the gold standard and by his apparent alliance in this struggle with the great money powers represented by Morgan and Belmont, he had likewise deeply offended the labor unions and industrial workers by his Wall Street transactions and by his intervention in the Pullman and railway strikes centering in Chicago previously described. Yet, despite his support of the gold standard and his use of Federal troops in the great Pullman and railway strikes, and despite his association with the great corporation lawyers and masters of capital, Cleveland had less sympathy

with big business, monopoly, and special privilege, and more with the common man, than any President had had since Andrew Jackson; and to the end of his days, he was the "ugly-honest man" of 1884. Like Jackson in the case of the United States Bank, Cleveland did not have a comprehensive grasp of the principles of money, banking, and public finance. But no President during the nineteenth century and few of the twentieth have understood such mat-



Courtesy of Brown Brothers

JOHN PETER ALTGELD.



Courtesy of Brown Brothers

RICHARD OLNEY.

ters very well. As for his harsh action in the strikes in contrast with his sympathy with the laboring man, Cleveland acted too hastily on the basis of biased information supplied him by his reactionary Attorney General Olney, who was interested in the railroads. But he doubtless would have acted soon of his own accord for two reasons: first, to put an end to the strikers' interference with the mails and with interstate commerce, which appeared to challenge the dignity and authority of the United States government—something Cleveland could brook no less than Jackson; and second, to protect those who did not desire to belong to a Union in, what Cleveland considered, their constitutional right to work without interference. Nor can it be said that any nineteenth century President held any different view, nor that the twentieth century has seen this problem settled in a way to make men feel easy in their consciences.

The state and congressional elections of 1894 came after the repeal of the Sherman Silver Purchase Act, the Chicago strikes, the passage of the Wilson-Gorman Tariff, and some of the Wall Street bond deals to uphold the gold standard; and these events in themselves might have given the Republicans the victory. But the panic and depression, coming as they did during Cleveland's administration and consequently blamed upon the Democratic Party, insured a Republican tidal wave. The Republican ex-Speaker Thomas B. Reed joyfully prophesied before the election that "The Democratic mortality will be so great next fall that their dead will be buried in trenches and marked 'unknown'—that is till the trenches give out." Reed's prediction was fulfilled. The Republicans carried most of the Northern and Western states down to the office of county sheriff, obtained a two-thirds majority in the Lower House of Congress, and reduced the Democratic majority in the Senate. Cleveland and the Democratic Party were apparently repudiated.

CHAPTER XV

The Triumph of Urban over Rural America

SIXTEEN TO ONE

THE Populists cast a vote of nearly a million and a half in 1894 as compared with about a million in 1892, but their strength in both state and national governments was greatly reduced. This was due to the fact that in the West they had generally refused to ally with one or the other major party and thus obtain a majority, whereas in the South they fused with the Republican Party which was a sure road to defeat. But the increase of the Populist vote, part of whose platform was free silver, the straight-out adoption of the free-silver principle by the Republicans and Democrats of the Mountain states, and by the Democrats in the states of the Great Plains and the South—all seemed to point to free silver as an issue on which Southern and Western Democrats, Populists, and Mountain state Republicans could unite. In this unity Democratic leaders were planning that their party should be the standard-bearer and that the free-silver Republicans and Populists should support them. Cleveland and the gold Democrats could hardly be expected to join them, but their open opposition was discounted. By the end of 1895 the Democratic Party in the South and West and the Populists and free-silver Republicans of the West had reached a working arrangement. The Eastern wing of the Party had no conception of what was happening, and were not prepared for the events of the nominating convention held in Chicago. This was even more true of the Republican Party.

*Free silver
as an issue
for 1896*

The Republican convention, which met in St. Louis on June 16, anticipated a fight on the free-silver question, but expected to make the tariff the central issue. The Eastern Republicans meant to have a clear-cut declaration in support of both the gold standard and a high protective tariff. But the Republican Party in the West was divided on the silver issue, and the most prominent candidate, William McKinley, had been virtually a free-silver advocate prior to his election as governor of Ohio in 1891; for he had voted for the free-silver Bland bill in 1877, the Bland-Allison Act in 1878, and the Sherman Silver Purchase Act of 1890. Marcus Alonzo Hanna, indus-

*The
Republicans
declare
for a pro-
tective
tariff and
the gold
standard*

trialist of Cleveland, and for some years party boss of Ohio, smoothed the path for both McKinley and the party. His strategy was privately to assure the Eastern wing that McKinley would support the gold standard, but to restrain the latter from making a statement and the convention from discussing it until McKinley had sufficient support to be nominated. This, it was hoped, would win the support for McKinley of the Mountain, free-silver Republicans.

At the last minute, just as planned, the gold plank was brought out and the Western delegates did not have time to organize sufficient opposition to defeat either McKinley or the gold plank. This strategy was not entirely successful, however, for Senator Henry M. Teller of Colorado offered an amendment proposing the free coinage of silver as a substitute for the gold plank; and when this amendment was defeated Teller and thirty-three delegates from Idaho, Utah, South Dakota, Montana, and Nevada withdrew from the convention. Teller and his friends met in St. Louis in July, as the National Silver Party, and endorsed the Democratic ticket. The Republican platform was clear cut on its support of the gold standard. The gold plank is particularly interesting since there had been so much double talk prior to this time by Republican Party leaders and platforms.

We are unalterably opposed [it read] to every measure calculated to debase our currency or impair the credit of our country. We are, therefore, opposed to the free coinage of silver, except by international agreement with the leading commercial nations of the world, which we pledge ourselves to promote, and until such agreement can be obtained the existing gold standard must be preserved.

*McKinley
and Hobart
nominated*

McKinley, with Garret A. Hobart of New Jersey as Vice-Presidential candidate, was nominated on the first ballot. Hanna, the master political strategist, was, of course, made chairman of the campaign committee.

*The
Democratic
platform
permeated
by Alli-
ance-Popu-
list doc-
trines*

The Democratic convention meeting in Chicago on July 7 was dominated by advocates of free silver. They named the chairman, controlled the platform committee, the credentials committee, and every other part of the organization. The platform, which the free-silver majority of the platform committee presented to the convention, was permeated with Alliance-Populist doctrines and was a strong indictment of Eastern exploitation of the South and West. It condemned the high protective tariff as a breeder of trusts, which enriched the few at the expense of the masses. It condemned the recent five to four decision of the Supreme Court, which declared the income tax unconstitutional, and spoke hopefully of a recon-

stitution of the Court and a reversal of the decision "so that the burdens of taxation may be equally and impartially laid, to the end that wealth may bear its due proportion of the expenses of government." Arbitration of labor disputes was urged, and interference in local affairs—such as Cleveland's use of troops in the Pullman strike—and government by injunction were condemned. But the chief plank, the answer to the challenge of the Republican Party's gold plank, was the free-silver plank.

We demand [it said] the free and unlimited coinage of both silver and gold at the present legal ratio of sixteen to one without waiting for the aid or consent of any other nation. We demand that the silver dollar shall be a full legal tender, equally with gold, for debts, public and private, and we favor such legislation as will prevent for the future the demonetization of any kind of legal tender money by private contract.

In theory both silver and gold standards were advocated by this declaration. In fact the free-silver advocates generally understood that silver, the cheaper metal, would either drive out gold so that the silver standard would prevail or, by the increase in the volume of specie, bring down the value of gold. In any case it meant cheaper money. The tone of the platform was hostile to Cleveland, and the content a virtual repudiation if not a denunciation of his administration.

The minority of the platform committee, composed of Cleveland supporters, brought in a report which in effect denounced the majority platform as not thought out completely in some respects and revolutionary in others, and offered two amendments—one in support of the gold standard to be substituted for the free-silver plank, and one endorsing and praising Cleveland's administration.

*The
minority
report*

In the debates on the platform and the two minority amendments, "Pitchfork" Benjamin F. Tillman, Senator from South Carolina, and Governor Altgeld of Illinois, Cleveland's antagonist in the Pullman strike, in biting and scurrilous terms denounced Cleveland as the tool of Wall Street. Tillman, far from supporting the minority resolution endorsing Cleveland, offered a resolution calling for the impeachment of the President. In no uncertain terms and to the displeasure of many who were unwilling to face the realities, Tillman stated bluntly the essential nature of the struggle. It was a great sectional conflict as well as one of economic groups: the South and West against the East, agricultural against industrial capitalism. David B. Hill of New York, ex-Governor William E. Russell of Massachusetts, and Postmaster General W. F. Vilas of Wisconsin

*The free
silver and
gold stand-
ard Demo-
crats swap
epithets*

*Bryan
appears;
his
previous
career*

denounced the platform and upheld the gold standard and the Cleveland administration in the face of a hostile audience.

The convention hall was sizzling hot, tempers were even hotter, and the large Southern-Western majority were drifting leaderless, querulously swapping epithets with the Eastern Democrats, when the thirty-six year old William Jennings Bryan of Nebraska was



Courtesy of Brown Brothers

WILLIAM JENNINGS BRYAN.

called upon to close the debate on the platform and on the planks offered by the gold Democrats to repudiate free silver and endorse Cleveland's administration. When Bryan rose to speak, his appearance, his pleasant yet earnest demeanor, his resonant, far-reaching voice caught the attention of the irritated and restless audience. He was the head of a contesting delegation from Nebraska which had been seated. He had served two terms in Congress, 1891-95, and was already recognized as an orator of unusual ability. He was well known in Nebraska and the neighboring region as a Democrat with Populist principles, and had already won the sobriquet, the

"Boy Orator of the Platte." Few of the delegates had heard him, however, and none had heard or would perhaps ever hear him again rise to the heights reached on this hot July day.

Yet, outside of a few extemporized, introductory remarks, the speech with which Bryan electrified the audience was "an old speech warmed over." But this was a new audience: to Bryan it was the great American people—farmers, working men, small business men, professional men—all oppressed, he believed, by governmental favoritism for the vested interests and the small groups of fabulously rich individuals. Bryan endorsed without quibble the entire platform of the majority; and he would have subscribed to the Omaha Populist platform, had it been presented as the Democratic platform. He was, in fact, what the bulk of the Western and Southern Democrats had become, a Populist-Democrat. But, he, as the bulk of his party were doing, subordinated all issues to that of the money question. The protective tariff, for example, which had been the issue in 1888 and 1892 and which was important enough at all times

*Bryan's
speech
one of
great
power*

to the farmers and consumers, was, he believed, dwarfed in comparison with the money issue; for, explained Bryan, while "protection had slain its thousands, the gold standard has slain its ten thousands."

Seeing the fight for the silver standard on the one hand and the gold standard on the other being cast by his own party as well as his opponents in terms of a fight between the urban and rural sections, Bryan would divest the struggle of what he considered such false trappings. He would speak for the common man, wherever he might be, whether in the East or West, city or country. He would speak for "the man who is employed for wages," for "the attorney in a country town," for "the merchant at the cross roads store," for "the farmer who goes forth in the morning and toils all day," for "the miners who go down a thousand feet into the earth or climb two thousand feet upon the cliffs," in short, for all "who by application of brain and muscle to the natural resources of the country create wealth." Eager to unite the common folk of the country and city behind the Populist-Democratic program, especially free silver, Bryan was defiant toward the Democratic leaders of the urban centers who upheld the gold standard. While city and country were interdependent, he assured the gold Democrats, whom he saw as representatives of plutocracy, that the city was far more dependent upon the country than the country upon the city.

You come to us and tell us [he said] that the great cities are in favor of the gold standard; we reply that the great cities rest upon our broad and fertile prairies. Burn down your cities and leave our farms, and your cities will spring again as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country.

Bryan had begun speaking with deliberation, but had continued with ever-increasing force, until his voice, the like of which had probably not been heard since the days of Clay and Webster, filled the convention hall. His speech ended with the peroration which became famous:

*The peroration:
The "cross
of gold"*

If they dare come out in the open and defend the gold standard as a good thing, we will fight them to the uttermost. Having behind us the producing masses of this nation and the world, supported by the commercial interests, the laboring interests, and the toilers everywhere, we will answer their demands for a gold standard by saying to them: You shall not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold.

Toward the end of his speech a roar of applause had followed each sentence; but when Bryan had finished speaking, with the exception of the gold Democrats, the audience of twenty thousand "went mad with an irresistible enthusiasm." "The leaderless Democracy of the West was leaderless no more."

*A cruel
rebuff to
Cleveland*

Thus ended the debate on the platform. The platform was adopted by a large majority, and the minority amendments to substitute a gold for the silver plank and to endorse the administration of Cleveland were defeated. The vote despite Bryan's desire to minimize sectionalism was largely sectional. New England and the Middle states, supported by a few Northwestern delegates, voted for the gold standard and the endorsement of Cleveland, and the South and West voted for free silver and against the resolution endorsing Cleveland—a cruel rebuff scarcely deserved by such an honest and courageous man, whether right or wrong in his judgment on current issues.

*The Demo-
crats nomi-
nate Bryan
and Sewell;
the gold
Democrats
nominate
Palmer and
Buckner*

Before Bryan made his speech to the convention, Richard P. Bland of Missouri, the veteran champion of free silver, was the most popular choice for the Presidential nomination. After the speech, however, it took only five ballots to give Bryan the nomination by the almost unanimous vote of the South and West. The convention quickly nominated for Vice-President, Arthur Sewell, wealthy ship-builder and banker of Maine, who, oddly enough, advocated free silver. This was a gesture to the Eastern Democrats; but it is scarcely necessary to observe that this wing of the party was deeply offended and almost completely alienated by the Democratic platform and candidate. The offended gold-standard Democrats organized the National Democratic Party and nominated Senator John M. Palmer of Illinois for President and ex-Governor Simon Buckner of Kentucky for Vice-President.

*The Popu-
list nomi-
nate Bryan
and Watson*

The Populist remnant, which had not joined the Democrats, had postponed the meeting of its convention until after the two major party conventions had met, believing that both Republicans and Democrats would either straddle on the money question—as usual—or declare in favor of the gold standard. But the wind was taken out of their sails by the Democratic platform, and after bitter wrangling they felt compelled to nominate Bryan. They would not accept Sewell, however, but nominated for Vice-President the Populist and later self-styled Jeffersonian Democrat, Thomas E. Watson of Georgia.

Bryan, backed by the free-silver Republicans, the Populists, and the Democratic Party organization, quickly forced McKinley and Mark Hanna to reverse the emphasis they both placed upon the

tariff and the silver issue. McKinley had remarked after the convention that nothing would be heard of free silver within a few weeks, but that the campaign would be fought out over the tariff. As it soon developed, little or nothing was heard of the tariff issue, and the campaign was waged over the free coinage of silver at the ratio of sixteen to one. Bryan, with tireless physical and nervous energy, undertook to carry the issue in person to the people. He traveled 18,000 miles, visited about 475 cities and towns in twenty-seven states, and made nearly 600 speeches. Populist and Democratic speakers combed the Southern and Western part of the country and invaded the East. Thousands of pamphlets and many books upholding the cause of free silver were printed and distributed. Perhaps the two most influential books circulated at this time were W. H. Harvey's *Coin's Financial School* and Ignatius Donnelly's *The American People's Money*, which stated in simple language what were thought by the free-silver and greenback advocates to be the simple principles of money. But the campaign chest, now that the Eastern wing of the party was in open revolt, was too meager to enable the Democrats to compete with the Republicans in "educating" the public.

*Bryan's
personal
campaign
on the
silver
issue*

Mark Hanna did not find it necessary to "fry the fat" out of the manufacturers and large business interests as had Quay in 1888; Bryan and his Populist-Democrats frightened the fat out for Hanna. Bankers, manufacturers, merchants, coal operators, railway magnates, and men of large affairs generally, terrified at the possibility of Bryan's election, almost trampled one another in their eagerness to toss large checks into the Republican war chest. Nor did Hanna, whose candidate, McKinley, was favorably disposed toward the policy of free silver, do anything to lessen the fear of the masters of capital. On the contrary, Hanna and his lieutenants worked to increase this fear of "Bryanism." With the huge campaign fund—Hanna admitted receiving \$3,500,000 and there might have been twice this amount contributed to local Republican groups—the Republican manager sent out armies of well-paid speakers, distributed carload lots of pamphlets, and exploited the press to the fullest in a "campaign of education." In this educational drive, the Republicans had most of the financial experts and economists on their side, many of the radical reformers of the East, and the bulk of the press—even when not subsidized. Although the tariff issue was brought forward by the Republicans to some extent, the "campaign of education" was directed primarily against free silver and for the gold standard.

*Mark Hanna
conducts an
"educational
campaign"*

The East and urban areas of the Midwest were thus beaten into a froth of hysteria. Bryan was regarded as a revolutionist whose



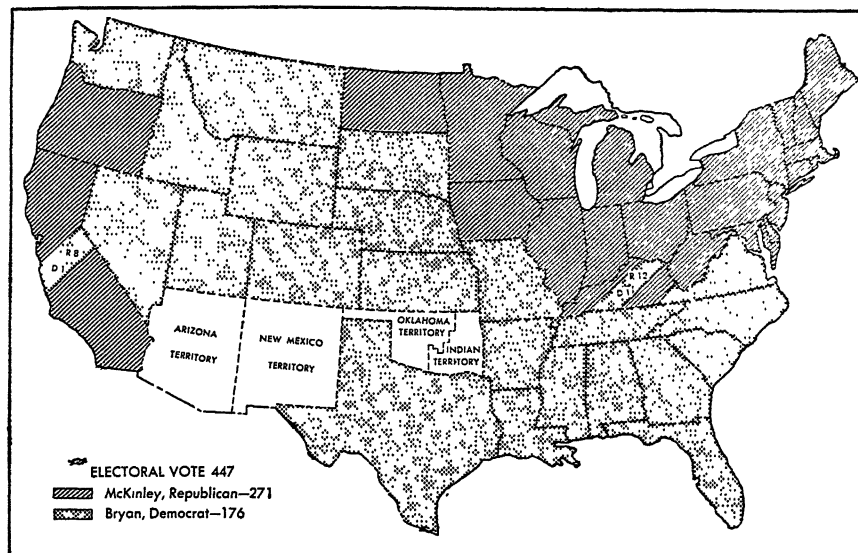
Courtesy of Harper's Weekly, August 15, 1896. Drawn by W. A. Rogers
THE SILVER KINGS' MILLENNIUM.

When your wages will buy just half what they buy now.

*The
election
of McKin-
ley: Big
business
dominates
the Repub-
lican
Party*

election would usher in a reign of terror like that of the French Revolution. In these regions scores of thousands of Democrats followed Cleveland into the Palmer-Buckner National Democratic Party, others voted the Republican ticket or stayed at home. In other areas gangs of "repeaters" were carried from precinct to precinct, ballot boxes were stuffed or stolen, and intimidation was frequently used. The result was the election of McKinley, who received about seven million popular votes against Bryan's six and one-half million, and 271 electoral votes against Bryan's 176. The predominantly

industrial states of the Northeast and Great Lakes region, and the Pacific Coast states of California and Oregon supported McKinley. Two states below the Ohio-Potomac line—Kentucky and West Virginia—likewise went Republican, due largely to the influence of Cleveland and Buckner. Otherwise the political map shows the agricultural South and West supporting Bryan. It seemed to mark



THE ELECTORAL VOTE OF 1896.

the final triumph of industrial over agricultural society. It was certainly the triumph in politics of organized corporate wealth over the individual. Big business had always powerfully influenced the Republican Party before this by indirection, but in the election of McKinley it seemed to the defeated Democrats as if it had taken over the party.

THE DOMESTIC POLICIES OF THE MCKINLEY ADMINISTRATION

McKinley's Cabinet was selected to please these powerful economic elements. To insure the gold standard, whether or not it was established by law, the conservative Chicago banker and ardent champion of the gold standard, Lyman P. Gage, was appointed Secretary of the Treasury. The aged and enfeebled John Sherman was induced to resign his Senatorial seat in favor of Mark Hanna and to accept the post of Secretary of State. This further added to the assurance that the gold standard would be maintained, since it was Sherman who, as Secretary of the Treasury under Hayes, had

*McKinley's
Cabinet*

built up the gold reserve and restored the gold standard in 1879. Sherman, however, was so enfeebled physically and mentally that McKinley put in his close friend, William R. Day, as Assistant Secretary of State to shoulder the responsibility. Soon Day succeeded Sherman and he in turn was succeeded by John Hay, former private secretary of Abraham Lincoln and man of letters. Russell A. Alger was made Secretary of War, but his incompetence in the Spanish American War caused his replacement by Elihu Root.¹

*The
program
of big
business*

There were three things that the large business interests would have from the government under McKinley: first, a guarantee of the gold standard; second, a very high protective tariff; and third, a policy of no government interference. They obtained these and far more under McKinley, including a war with Spain.

*The
Republican
Party
becomes
the party
of pros-
perity*

When McKinley was inaugurated on March 4, 1897, the country was already recovering from the depression. True, the prospects of the election of Bryan had created near-panic conditions in the fall of 1896, when gold was hoarded and a business stagnation prevailed; but the natural factors of recovery were strongly at work before the election. McKinley, coming in with this recovery, was hailed as the "advance agent of prosperity," and this happy coincidence enabled the Republican Party to become identified in the minds of all Republicans and many Democrats, even in the South, with good times. Furthermore, the fact that the country recovered and enjoyed great industrial prosperity under the policy of a high tariff, the gold standard, and a free hand for big business, tended to identify prosperity with these three basic principles of Republicanism.

*McKinley
continues
to maintain
the gold
standard*

Since the Republicans had won the election by their championship of the gold standard, it might have been expected that a law would quickly have been passed establishing the gold standard. Not so; for, while the Republicans had a majority in both houses, there were several free-silver Republican Senators among them who, with Democratic aid, would doubtless have defeated any such measure. The law would have to wait until 1900 when the election of 1898 had returned a strong conservative Republican majority in both houses. In the meantime the powerful business influences that enveloped McKinley like "a cloud of witnesses" would see that the gold standard was made safe without a law. Secretary of Treasury Gage would continue the policy—of exchanging gold for paper currency—that had maintained the gold standard since Sherman built up the gold reserve in 1875-79. As a gesture to appease the silver interests of his party McKinley sent a commission of genuine

¹ Other members of the Cabinet were Joseph McKenny, Attorney General; T. A. Gary, Postmaster General; J. D. Long, Secretary of the Navy; C. N. Bliss, Secretary of the Interior; and James Wilson, Secretary of Agriculture.

bimetallists to Europe to discuss the possibility of an international agreement. Europe for many years had been moving further away from the bimetallic or double standard, and all previous efforts of the United States to reach an agreement favorable to bimetallism had failed. This commission failed as was hoped and expected. But it did serve to keep the silver mineowners quiet—the only ones who were really interested in bimetallism, for, as has been pointed out, the farmers wanted free silver because it was cheap money.



Courtesy of Brown Brothers

WILLIAM MCKINLEY.

With the gold standard safely guarded for the time being, McKinley and the protected interests returned to the next most important question—the tariff. The Wilson-Gorman Tariff of 1894, although lower than the McKinley Tariff of 1890 and hence conducive to a larger volume of imports and revenue, had nevertheless, constantly fallen short of the financial needs of the government. The panic and worldwide depression had, of course, been the chief factor in the reduction of revenue. But the protectionists and their political spokesmen could scarcely be expected to accept any such

*The protectionists
desire a
higher tariff*

*The
Dingley
Tariff*

explanation. The Wilson-Gorman Tariff, although it had been denounced by Cleveland as being about as protectionist as the McKinley Tariff, was too low to bring in revenue, said the Republicans. They would raise the tariff and, although this would further restrict the importation of goods from abroad, still, they contended, the volume of revenue would be increased. They would keep the cake and eat it.

Immediately after his inauguration McKinley called a special session of Congress to legislate on the tariff issue. In his message to Congress he urged the immediate passage of a tariff measure which would benefit commerce, manufacturing, agriculture, and labor—in fact, everybody. This, of course, could hardly be accomplished. The measure that McKinley had in mind had already been carefully worked out in the Committee of Ways and Means during the short session of the previous Congress. On the assembling of Congress on March 15, 1897, the Republican majority promptly elected “Czar” Thomas B. Reed Speaker, and he appointed Nelson R. Dingley Chairman of the Ways and Means Committee. Dingley introduced the tariff measure that he had helped to prepare and, with the dictatorial methods and parliamentary shortcuts of Reed, the bill was passed after two weeks of feeble resistance on the part of the Democrats. In the Senate the lobbyists for the manufacturers had a field day. As with the McKinley bill of 1890 and the Wilson-Gorman Tariff of 1894, every protected interest was given virtually a blank permit to write in its own rates. When more than 850 amendments were made in the House draft, the measure was sent to a conference committee where more changes were made and the rates raised higher than had been recommended by either house. The bill became law in July, 1897. It was the high-water mark of protectionism up to this time. It was freely observed at the time that the rates were being made high so as to prohibit import trade in the protected articles and that it would fail to produce adequate revenue. This was true until economic recovery greatly increased the volume of imports. Duties were placed on wool, hides, lumber, salt, and cotton bagging and ties, which had been on the free list under the Wilson-Gorman law of 1894; and the rates on silks, linens, cottons, china, works of art, coal, steel, steel rails, and all kinds of manufactured steel and iron were placed at the level of 1890 or higher. The duty on raw sugar was practically doubled, and a substantial tariff was placed on refined sugar, all, it was freely said, at the dictates of the “members from Havemeyer”—the Sugar Trust.

As in the McKinley Tariff of 1890, the Dingley Tariff provided for the negotiation of reciprocity treaties, by which the tariff might

be lowered as much as twenty per cent. But all such treaties were rejected by the Senate. Then, too, the President was permitted to remove from the free list tea, coffee and other tropical products, in case the countries exporting these products should impose what were considered unreasonable duties on American goods.

By the time that the Dingley Tariff went into effect business was beginning to prosper again, not only in America but in Europe as well. One of the most important factors in the developing prosperity was the large increase in the volume of gold and its decrease in value. Due to the discovery of gold in the Klondike, Alaska, South Africa, and Australia, the volume of gold produced annually for some years after 1896 was more than double the annual output from 1865 to 1890. It seems to have confirmed in part the contention of the Greenbackers, Alliance men, and Populists that low prices were the result of the scarcity of money. Then the Spanish-American War, the conquest of the Philippines, and the Boer War stimulated industrial production, and poor crops in Europe increased the demand for American farm products.

*Widespread
prosperity;
causes*

The Dingley Tariff, passed only a few months after McKinley assumed office, was destined to be the last important domestic legislation of McKinley's administration until the passage of the gold standard law three years later. Foreign affairs, especially American interests in the Pacific and the Caribbean, and the War with Spain growing out of the Caribbean interest, put an end to further important domestic legislation.

PART IV

*Adventures in Imperialism
and World Politics*

CHAPTER XVI

Foreign Affairs, 1877-1898

FROM the beginning of the nineteenth century the United States had had considerable interest in the Pacific and the Caribbean and in world markets generally. This interest was subordinated to the implementation of the doctrine of Manifest Destiny—the doctrine of expansion, which at times visualized the United States extending over the North American continent but which had finally been satisfied with the present national boundaries. Economic and nationalistic forces were at work after the Civil War, however, which would impel the United States not only into taking a more vigorous hand in affairs outside the country but into a policy of imperialism. The great post Civil War industrial and financial development expanded production beyond the capacity of the domestic market to absorb; and in the face of a haphazard foreign policy, American export trade increased enormously from 1870 to 1900. In 1870 it amounted to \$392,772,000, in 1890 it was \$857,829,000, and in 1900, it was \$1,394,483,000. The increase had been due primarily to the export of industrial goods; and manufacturers, whose capacity for production was increasing as if by magic, demanded larger foreign markets to take care of their surplus. The first aggressive diplomatic moves of the United States in behalf of its great business interests were in the Pacific area.

Industrial expansion and the demand for foreign markets

THE PACIFIC

a. THE FUR SEAL CONTROVERSY WITH GREAT BRITAIN

Account has already been taken of the purchase of Alaska with the outlying island chains extending far into the Pacific. By the purchase of Alaska, the United States had acquired the Pribilof Islands in the Bering Sea, where a herd of about four million seals gathered in the spring to breed and raise their pups. In 1870 the United States leased the right of killing male seals on these Islands to the Alaska Commercial Company. The great rise in the price of seal skins brought in many unlicensed sealers, principally Canadians, who stayed a few miles offshore or in the straits between the Aleu-

The seizure of Canadian pelagic sealing ships in the Bering Sea; the "closed sea" argument

tians and killed the seals in the water. This was known as pelagic sealing. It was estimated that not more than half the seals shot in the water were recovered, and that frequently these were females. The rapid destruction of the herd caused prices of skins to rise, and this in turn brought more pelagic sealers. In 1886-87 the United States seized Canadian pelagic sealing ships lying outside the three-mile limit on the ground that the Bering Sea was a closed sea (*mare clausum*) under American jurisdiction. The British government protested vigorously against these seizures, since they had taken place beyond the three-mile limit and hence outside of the jurisdiction of the United States. But the Alaskan Court upheld the seizure on the ground that the Bering Sea was enclosed by Alaskan territory and therefore a closed sea; and Congress supported this position by passing a law prohibiting the killing of seals in the Bering Sea.

Blaine's
arguments:
Pelagic
sealing
immoral,
and seals
are Amer-
ican prop-
erty

When Blaine became Secretary of State in Harrison's Cabinet in 1889 he pounced upon the seal controversy with the usual pleasure that he derived from a controversy with the British. The British Foreign Minister, in his protests against the American seizures, had denied that the Bering Sea was a *mare clausum*, and had contended that the seizures, being outside the three-mile limit, were upon the open sea and a violation of international law. Blaine wisely abandoned the American claim heretofore made of a closed sea—a claim patently ridiculous—and based his argument in part on the ground that pelagic sealing was *contra bonos mores* (against good morals, criminal), and in part upon the assumption that the seals were American property because their breeding ground—their home—was American soil. The British Foreign Minister could not concede the right of one nation to seize the ships of another nation in behalf of good morals or in defense of wild animals, since wild animals under international law were not private property until captured. The Canadian sealing ships would have to be protected until pelagic sealing was made illegal.

Contro-
versy
settled
by arbi-
tration

There was talk of war in both countries. But harking back to the Treaty of Washington, the two governments in 1892 agreed to a treaty which provided for an international arbitration tribunal similar to that which settled the *Alabama* claims. The decisions of the commission were in each instance against the United States: the Bering Sea was an open sea and the jurisdiction of the United States ceased at the three-mile limit; therefore, the seals could not be protected outside this limit. The United States was ordered to pay damages for the seizure of the Canadian vessels. Regulations were adopted by the arbitration tribunal which forbade pelagic sealing within a radius of sixty miles of the Pribilof Islands, and established

the period from May 1 to July 31 each year as a closed season on sealing. These regulations proved ineffective and in 1911 England, the United States, Russia, and Japan signed an agreement to prohibit their citizens from pelagic sealing in the North Pacific and Bering Sea.

b. THE HAWAIIAN ISLANDS

In the pursuit of trade the United States had long been interested in the Hawaiian Islands. American merchant vessels bound for the Orient began stopping over in Hawaii for supplies in the early part of the nineteenth century, and before mid-century five sixths of all the ships calling there were American. Whalers used the islands as a base of operation. Missionaries flocked in and merchants followed. By 1842 Webster was virtually applying the Monroe Doctrine to this archipelago, and within ten years there was considerable sentiment in favor of annexing Hawaii. In 1854 Secretary of State W. L. Marcy negotiated a treaty of annexation, but the Senate refused ratification. In 1875 a treaty was made between the United States and Hawaii which permitted the little island kingdom to export sugar to the United States free of duty. In payment for this favor, Hawaii pledged itself not to make any territorial concessions to any foreign powers. The sugar interests and cane plantations, which by this time had fallen to a great extent into the hands of the whites, chiefly American or of American origin, prospered greatly under this treaty. Annexation was obviously not too far in the future. In 1884 the reciprocity treaty, admitting sugar free of duty, expired, and it was not until 1887 that a new treaty could be ratified. These three years pinched the sugar industry and the entire population, and made it easy for Hawaii to accept an amendment of the reciprocity treaty granting the United States the use of Pearl Harbor as a naval base.

The McKinley Tariff, by placing all imported sugar on the free list and at the same time granting a bounty of two cents a pound on American sugar, placed the Hawaiian sugar interests under a severe handicap. To avoid this handicap and to secure a stable and enlightened government, the wealthy, well-organized American element determined to overthrow the Hawaiian Queen, Liliuokalani, seize the government, and hand the islands over to the United States. They were greatly aided in their efforts by the unwise conduct of the Queen. She set aside the liberal constitution which her brother, King Kalakana, had granted (doubtless under pressure) in 1887, and on January 14, 1893, replaced it by royal edict with a constitution which gave her despotic powers. The white population

*Hawaii
brought
within
American
"sphere of
influence"*

*The over-
throw of
the native
government;
the appar-
ent col-
lusion of
the Amer-
ican min-
ister*

had already prepared for revolution in collusion, it appears, with the American minister in Honolulu, John L. Stevens, on whom they promptly called for help. On January 16, two days after the Queen proclaimed her new constitution, Stevens ordered a sizable force of men from the U.S.S. *Boston* (conveniently in harbor at the time) to protect American life and property. On the following day Stevens recognized the government of the revolutionists as the legitimate Hawaiian government.

*Cleveland
opposes
annexation
and vainly
attempts
to restore
native
government*

Promptly the new Hawaiian Republic sent a diplomatic mission to the United States to draw up a treaty of annexation. This was done quickly, for the demand was strong for the annexation of Hawaii as a market, a way station to the Orient, and a permanent naval base. On February 15, 1893, the treaty of annexation was laid before the Senate. There was determined opposition to annexation, particularly from the Democrats, and the treaty was still before the Senate when Cleveland succeeded Harrison on March 4. Cleveland, a strong anti-imperialist, withdrew the treaty from the Senate and sent James H. Blount to the islands to investigate the circumstances of the revolution. Blount's report left little doubt that the revolution had been approved if not instigated by the American minister, Stevens, with the knowledge of the State Department. Cleveland sent S. A. Willis as American minister to Honolulu to attempt to restore the Queen. It soon became evident, however, that the Queen could not be restored without the use of armed force, and the President would not resort to such a measure.

*Annexation
of Hawaii*

Nothing was gained by this delay; for scarcely had the Spanish-American War broken out in 1898 than Congress annexed Hawaii by joint resolution just as it had Texas in 1845. The United States Empire was reaching halfway across the Pacific, for already in 1867 Seward had picked up the Midway Islands a thousand miles west of Hawaii.

C. THE SAMOA ISLANDS

*Rivalry
between
United
States,
Great Britain,
and Ger-
many*

During the same time that the United States was drawing Hawaii into its orbit and gradually converting it into a protectorate, it was establishing itself in the Samoa Islands far to the southwest. In 1872 Commodore R. W. Meade made a treaty with a chief on the Island of Tutuila, which granted the United States the exclusive right of establishing a much needed naval base at Pago Pago on that Island in return for protection and friendship. The Senate failed to ratify the treaty, but in 1878 a similar treaty was ratified after a native representative from Samoa appeared in Washington in its support. The next year Germany and Great Britain negotiated treaties for

naval stations and trading rights in these islands. Several years of bitter rivalry between the representatives of the three countries followed. Civil war broke out and it seemed as if the three great powers might stumble into war over these tiny specks in the Pacific. Secretary of State Bayard attempted a settlement by calling the German and British into a conference in the summer of 1887. But the German minister, backed by England, who had received the *quid pro quo* elsewhere, insisted on virtual control of the islands. The conference broke up without reaching an agreement.

The Germans then took things in their own hands. In 1888 they declared war on the Samoans and in modern style deposed their king and queen and set up a puppet ruler. The Samoans then began guerrilla warfare, and the Germans landed armed forces from the three warships in the harbor of Apia. The United States had stationed three ships and the British one in this harbor, and for a while it seemed as if a battle might break out at any moment. Then, on March 16, 1889, a hurricane wrecked or sank all except the British ship, the *Calliope*, which escaped to the open sea. Just two days before the hurricane, which brought temporary peace in the Samoa Islands, President Harrison appointed three delegates to a conference in Berlin, which had been called in a further attempt to settle the quarrel over the Pacific islands. In more chastened mood after the hurricane, the representatives of the three powers agreed to establish a tripartite protectorate over the islands (June 14, 1889).

A tripartite protectorate established

This, however, was not a satisfactory arrangement. The natives were soon stirred up against one another by their rival protectors, and the harbor of Apia was again full of warships. Cleveland, foe of imperialism and entangling alliances, throughout his second term advised Congress to terminate the tripartite protectorate and put an end to our commitments in Samoa. But the Spanish-American War, which brought about the annexation of Hawaii, the Philippines, Guam, and Porto Rico, found the American public quite ready for the annexation of part or all of the Samoa Islands. In 1899 the tripartite protectorate was abandoned, and the islands were divided. The United States received Tutuila with the fine harbor of Pago Pago, and Germany the remainder, whereas England, preoccupied with the Boer War and threatened by Germany, withdrew entirely.

Division of the Islands; the United States gets Pago Pago

LATIN AMERICA

a. BLAINE AND PAN-AMERICANISM

The Mexican War and the agitation during the Pierce Administration in favor of annexing Cuba had left Latin America suspicious of the good intentions of the United States, and had weakened the

prospects of a Pan-American federation which Clay and Adams had visualized. Blaine, who greatly admired Clay, accepted his American system of home markets and protective tariff and his idea of a federation of the American nations. When he became Secretary of State in Garfield's Cabinet, he meddled in disputes between Latin American republics and gained the ill will of Mexico and Chile and the suspicion of other South American States. Nevertheless, he invited the Latin American countries to attend a conference on arbitration to meet in Washington in the fall of 1881. But Frederick T. Frelinghuysen, who succeeded Blaine after Garfield's death, promptly withdrew the invitation.

*The first
Pan-American
conference*

Pan-Americanism continued to be agitated, however, and in 1888 Congress authorized Cleveland to issue invitations again to the Latin American countries to send delegates to a conference to be held in Washington in October, 1889. When the delegates met, Blaine, who was now Harrison's Secretary of State, was chosen as president of the conference. Arbitration of disputes, a customs union, reciprocity, a uniform system of weights and measures, and the adoption of a common silver coin were discussed. The most tangible accomplishments, however, were agreements concerning trade reciprocity (p. 262) and the establishment of the International Bureau of American Republics. The chief function of the Bureau was to serve as a clearinghouse of information concerning each country. The name of the organization was later changed to that of the Pan-American Union, which has played an important role in preserving peace in the Western Hemisphere and in securing co-operation in the First and Second World Wars.

b. FRICTION WITH CHILE

*The United
States takes
sides in
the Chilean
revolution*

A revolution in Chile, which broke out in 1891, furnished the occasion for practically wrecking the good that Blaine had accomplished two years previously at the Pan-American conference. The Congressional Party rose in revolt against the President who was attempting to become a dictator. Blaine unfortunately had sent as minister to Chile the recently naturalized Irish agitator and Republican ward-heeler, Patrick Egan, who openly took sides with the Chilean President. Egan's conduct strengthened the Chilean suspicion, which dated back to 1881, that Blaine was unfriendly. The detention and later seizure by the American authorities of the ship *Itata*, carrying arms from the United States to the revolutionists, further confirmed the distrust of Blaine and the United States and caused widespread resentment.

While popular feeling in Chile was still aroused over the Ameri-

The United States demands that Great Britain arbitrate the boundary dispute

urging arbitration. However, Great Britain refused to arbitrate any Venezuelan claims east of the Schomburgk line, but offered to arbitrate British claims west of this line. During his first administration, Cleveland, through the State Department, advised the British government to arbitrate, but this advice was ignored, and in exasperation Venezuela suspended diplomatic relations (1887) with Great Britain.

In 1893, Cleveland, who was again President, had not lost interest in the Venezuelan boundary dispute, and he had Secretary of State W. Q. Gresham bring to the attention of the British government the desire of the United States to see the controversy settled by arbitration. Great Britain was not impressed by suggestions concerning a matter that she considered her private business, and she failed to take note of the storm of indignation that was being raised in the United States over the Venezuelan boundary question. Lord Salisbury, who was both Prime Minister and Secretary for Foreign Affairs, was, consequently, not prepared for the subsequent belligerent pronouncements of the United States government. In 1895 Congress at Cleveland's suggestion adopted a resolution urging arbitration of the Venezuelan boundary dispute. Soon afterward Secretary of State Olney, who had succeeded Gresham, sent a blunt note to Lord Salisbury accusing Britain of violating the Monroe Doctrine by occupying disputed territory. He demanded a categorical answer whether that country would or would not arbitrate the boundary dispute. Olney then belligerently informed the British minister that the United States was master of the new world. "Today the United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition." It was "master of the situation" against all other powers.

The British refusal to arbitrate

Lord Salisbury consulted the law officers of the crown, held Cabinet meetings, studied the history of the boundary line controversy, and re-examined the Monroe Doctrine, before making his reply. It was four months before he dispatched his answer to Olney's arrogant state paper; and the answer was a refusal to recognize the validity of the Monroe Doctrine in international law, or its applicability to the adjustment of boundary lines. His note was couched in diplomatic language, but it was patronizing, and it had the air of finality; arbitration appeared to be dismissed.

Cleveland's warlike message to Congress

Cleveland was thoroughly angry at the substance and tone of the Salisbury note; and he sent a message to Congress on December 17, 1895, restating the position of the United States. This government, he observed, had not heretofore drawn any conclusions as to the relative merits of the rival claims. It had only urged that the boundary line be determined by peaceful arbitration; but the time

had now arrived when the United States must determine the true line between Venezuela and British Guiana. He recommended that



Punch—November 2, 1895

A SIMPLE DEFINITION.

MASTER JOHNNY BULL: "Monroe Doctrine? What is the Monroe Doctrine?"

MASTER JONATHAN: "Wa-al—guess it's that everything everywhere belongs to us."

Congress empower the President to appoint an investigating commission and to appropriate money to pay the commission's expense. When the commission made its report, said the President, "it would

be the duty of the United States to resist" the appropriation by Great Britain of "territory which after investigation we have determined of right belongs to Venezuela." "In making these recommendations," said the President in the concluding paragraph of his message, "I am fully alive to the responsibility incurred, and keenly realize all the consequences that may follow." Cleveland was not bluffing. Unless Great Britain agreed to arbitration the United States would go to war. Public opinion supported the President and war seemed near at hand. Congress unanimously voted \$100,000 for the expense of the boundary commission, which the President appointed and sent to Venezuela.

*Britain, in
need of
American
friendship,
agrees to
arbitrate*

Great Britain as usual was in no position—nor did she have any desire—to go to war with the United States. Canada would be jeopardized and the merchant marine would be destroyed in case of war with the United States, two factors that long insured peace—although an uneasy one—between the two countries. In January, 1896, about three weeks after Cleveland sent his bellicose message to Congress, England became aware of another reason why war with the United States would be unthinkable. The German Kaiser, Wilhelm II, cabled his congratulations to President Paul Kruger of the South African Transvaal Republic for his defeat and capture of the raiders into the Boer state, who had been led by the Englishman, Dr. Jameson. England now fully realized that Germany was England's enemy, nor did she have any friends among the great powers on the continent. Indeed relations with France and with Russia were very bad during these years. Lord Salisbury, thus made acutely aware of the almost universal enmity toward Great Britain, suddenly changed his truculent and unbending attitude in his conversations with the United States in relation to the Venezuelan question. He now offered to lend all the aid possible to the American boundary commission, and presently through the good offices of the United States agreed to a treaty of arbitration with Venezuela.

*The treaty
of arbitra-
tion; the
settlement*

The treaty provided for the submission of the dispute to a board of arbitration; but it was agreed that those districts held by either party for a period of fifty years were not subject to arbitration. The arbitration commission of 1899 drew the boundary approximately along the Schomburgk line, except that Venezuela was given the mouth of the Orinoco River and considerable territory in the southwest. In the settlement the British obtained the larger share of the disputed areas, but the friendly acceptance of American intervention indicated British recognition of the Monroe Doctrine and an acknowledgement that the United States was the final arbiter on this continent in matters of dispute between Latin America and

European powers. England acquiesced, but other European powers, especially Germany, were resentful and showed their ill will during the Spanish-American War. In Latin America the weaker states were grateful for the protection of the United States; but the more powerful states like Argentina resented Olney's claims for the United States of hemispheric hegemony.

d. THE CUBAN REVOLT

In the summer and fall of 1895, when the American public was being deeply aroused against Great Britain over the Venezuelan boundary dispute, relations with Spain over the situation in Cuba were rapidly deteriorating. In February, 1895, the Cubans raised the standard of revolt after seventeen years of oppressive peace. Although the harsh and inefficient Spanish rule was the fundamental cause of the insurrection, it was doubtless hastened by the tariff legislation of the United States and the panic of 1893. The McKinley Tariff of 1890 had put raw sugar on the free list, and this had resulted in a great increase of acreage planted to sugar cane in Cuba and a large investment of American and foreign capital in that island. But the Wilson-Gorman Tariff (1894), which placed a duty on raw sugar, greatly reduced the American market and brought ruin on the expanded cane plantations and industries. The panic and depression contributed further to the shrinkage of the American market for Cuban tobacco. Great suffering among the mass of Cubans, most of whom were laborers on the cane plantations, added to the spirit of discontent.

The Cuban insurrectionists under the leadership of Máximo Gómez revived the guerrilla warfare of the previous revolt. They not only slaughtered Spanish loyalists but resorted to the destruction of cane fields, syrup mills, and machinery used in the making of sugar. This destruction was directed chiefly against the property of Spanish loyalists, but American plantations and mills were frequently destroyed, too, in the hope of influencing the United States to intervene. To put an end to this scorched earth policy of the insurrectionists, the Spanish government sent General Valeriano Weyler and a large military force to Cuba with a free hand to deal with the rebels. Weyler ran a barbed-wire entanglement across the eastern part of the Island in an effort to confine the insurrectionists to that area. In a manner that foreshadowed the German concentration camps of the Hitler era, Weyler penned off large areas in the sweltering jungle and herded the population, whether neutral, Spanish sympathizers, or rebels, of much of the eastern provinces in concentration camps.

Causes of revolt: Harsh Spanish rule, the American tariff, and the panic of 1893

Cuban guerrilla warfare and the Spanish concentration camps

Here untold numbers died from disease, starvation, and brutal treatment by the Spanish soldiers.

The yellow press arouses American sympathy for the Cuban insurrectionists

The "yellow press" led by William Randolph Hearst's *New York Journal* and Joseph Pulitzer's *New York World* spread the stories of Weyler's brutalities with exaggeration—wherever exaggeration was possible—over the country, and the other papers were soon reprinting these or obtaining others just as sensational. The American public was soon aroused and was demanding that the United States recognize the independence of Cuba, and if necessary intervene by force in Cuba's behalf. Congress in response to the public clamor passed a resolution in the winter and spring of 1896 in favor of granting belligerent status to the Cuban rebel government. The debates on the resolution were so unrestrained and hostile in tone that anti-American student mobs in Barcelona trampled the American flag and hurled stones at the American consulate in retaliation. American university students were almost as violent as the Spanish. Cleveland, however, was unmoved by such demonstrations, and he announced that he would not mobilize the army even if Congress should declare war on Spain.

Insurrectionists obtain their supplies in the United States; Spanish protests

The insurrectionists had no government in Cuba, but a small group of leaders organized a *junto* in New York which they called a government. This government sold bonds, secured money in devious ways, and purchased munitions of war which were run into Cuba. The Spanish government, contending that the revolt was not a war but just widespread mob disorder, could not lay a blockade or chase these gunrunners beyond the three-mile limit. Instead, it insisted that the American government was responsible and should put a stop to the traffic in munitions. Cleveland, however, refused to permit the blame to rest upon the United States, but did attempt to prevent the launching of armed expeditions—filibustering—from American shores.

Spain modifies its concentration policy and grants Cuba autonomy; Cubans dissatisfied

When McKinley assumed office in March, 1897, the Cuban situation had not improved, and he soon dispatched General Stewart L. Woodford to Madrid to exert more pressure on the Spanish government to bring about a speedy settlement. Woodford's offers of mediation were rejected by the Spanish government, and once again was repeated the old claim that it was the duty of the United States to suppress the traffic in arms. In October, 1897, a few weeks after Woodford's arrival, the more liberal ministry of P. M. Sagasta succeeded the conservative government, and steps were taken toward bettering the Cuban situation. Weyler was to be replaced by a more moderate governor, the concentration policy was modified, the Spanish constitution was extended to Cuba, and legislative autonomy

was granted. But the Cuban insurrectionists wanted independence, not autonomy, and were resentful toward the United States for not demanding the freedom of Cuba. The Loyalists, on the other hand, were angry at the United States for its mediation in favor of the



SPEAK!

Cuba pleading with McKinley.

insurrectionists; and on January 12 they staged a riot in Havana in protest against autonomy and demanded the retention of Weyler as governor.

e. THE SINKING OF THE *Maine*

Fearing for the safety of American lives and property, Consul General Fitzhugh Lee, whose reports probably exaggerated the Cuban situation, suggested to the State Department the advisability of dispatching warships to Havana; and on January 24 the second-class battleship *Maine* was ordered to Havana on a "friendly" visit. On February 15, 1898, the *Maine* was sunk by an explosion while at anchor in the harbor of Havana, with the loss of more than two hundred fifty officers and enlisted men and the wounding of sixty others. While the more thoughtful element in the United States reserved judgment as to the cause of the explosion, the general opinion was that the *Maine* was the victim of Spanish treachery.

The Maine on a "friendly" visit at Havana is blown up; the American public demands war

The bellicose Theodore Roosevelt, Assistant Secretary of the Navy, expressed the opinion, in public and private, that Spain was responsible for the act and that the United States fleet should be ordered at once to Havana. Hearst's *New York Journal* announced in sensational headlines that the *Maine* had been split in two by Spanish mines, planted in the harbor in cold-blooded treachery. The only possible reparation was the liberation of Cuba, preferably by force. Pulitzer's *New York World* was not behind the Hearst paper in demanding war. Before any investigation could be made the American public had already formed its opinion, and the hysterical slogan, "Remember the *Maine*," was heard over the country.

The Spanish and Americans differ in their reports on cause of sinking

The Spanish government urged that the United States and Spain undertake a joint investigation, but the United States refused. Instead, it set up a board of inquiry composed of naval officers and thus compelled Spain to do likewise. The American board, whose most prominent members were Captain William T. Sampson and Captain French E. Chadwick, investigated only the interior of the hull of the battleship, and the Spanish board had to confine its examination to the exterior. The Americans reported that the *Maine* had been sunk by an external submarine mine which set off a second explosion in the ship's magazine. The Spanish board reported that the ship had been sunk by an internal explosion. As to who planted the submarine mine that caused the external explosion, no one has been able to ascertain the truth. That the Spanish government should do such a thing, when it was engaged in a frantic effort to keep peace, does not make sense. It was doubtless an accident, or the work of irresponsible individuals.¹

The de Lôme letter confirms American belief as to Spanish treachery

No doubt the belief that the sinking of the *Maine* was the result of Spanish treachery was greatly strengthened by the famous de Lôme letter, which had been published in Hearst's *Journal* on February 9, 1898, a few days before the sinking of the *Maine*, and which was the subject of angry conversation when the tragic news of the *Maine* disaster was announced. Dupuy de Lôme, the Spanish minister at Washington, had written a friend in Cuba a private letter, which was stolen from the Havana post office by a Cuban spy and given to Hearst. In this letter de Lôme suggested that, in order to appease American opinion, it might be necessary for the Spanish government to appear to yield to the American demands for freeing Cuba without in fact making any concessions. In pointing out the necessity of appeasing the American public, de Lôme observed that McKinley was a weak and spineless politician, "a bidder for the

¹ In 1911 the *Maine* was raised and carefully examined. The evidence seemed conclusive that the ship had been sunk by the explosion of a submarine mine.

admiration of the crowd." De Lôme, of course, became *persona non grata* and he resigned before the Spanish government could fulfill McKinley's request for his recall. But most important in its bearing on the *Maine* and the entire Spanish-American relations was the revelation of what appeared to be a design for official double-dealing.

While the boards of inquiry were preparing reports on their findings, the sentiment in favor of war was rising like a tidal wave. The yellow journals led by Hearst and Pulitzer, the reports of Consul General Lee, Senator Redfield Proctor, and others indicated that mass extermination of the Cuban population was being carried out. Even McKinley asserted that 150,000 had died of starvation and disease in the concentration camps, while some estimates of the death toll ran as high as 500,000. McKinley really desired peace, but he was faced by a revolt of young Republicans led by Cabot Lodge and Theodore Roosevelt. The latter denounced the President for his hesitancy and accused him of "having no more backbone than a chocolate éclair." The President was being carried along by the mad popular outcry, by his genuine pity for the Cubans, and by his distrust of both the good faith of the Spanish in their promises of reform and their ability to fulfill their promises.

Popular sentiment favors war; the President carried along by public opinion

f. MCKINLEY LETS THE PUBLIC HAVE WHAT IT WANTS—WAR WITH SPAIN

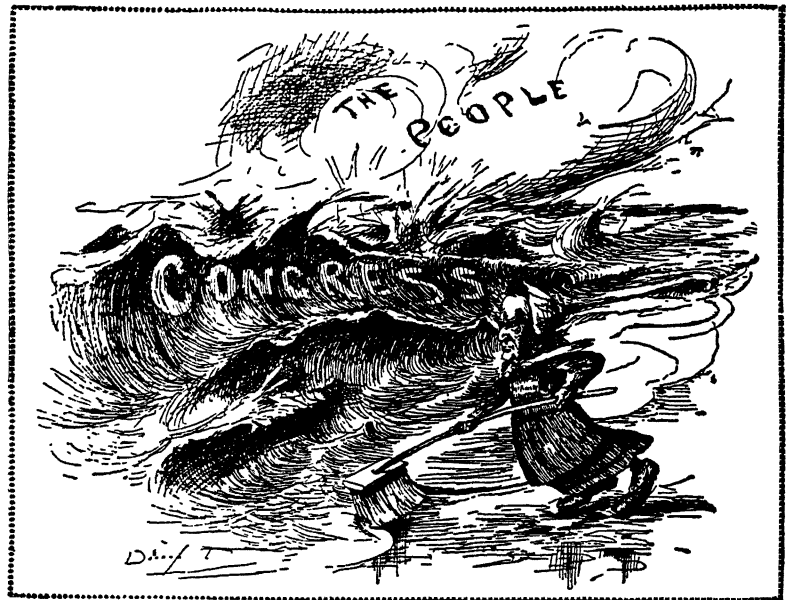
McKinley, however, made an effort to reach an agreement with Spain without resort to war. On March 27, 1898, Assistant Secretary of State William R. Day (soon to succeed the old and infirm John Sherman as Secretary of State) instructed Woodford at Madrid to urge that Spain grant an armistice to the rebels until October, abolish the concentration policy, conduct peace negotiations through the medium of the United States, and permit relief to be sent to both the Cubans and the Americans in Cuba.

McKinley's demands upon Spain

The Spanish ministry and even the royal dynasty were in danger if too many concessions were made to the United States and Cuba; for it must not be overlooked that the Spanish public was as angry over American support of the insurrectionists and interference in Cuba as were the Americans over the brutal conduct of Weyler and his troops. The Spanish government hesitated and offered one qualified concession at a time. It first agreed to grant the insurgents an armistice provided they asked for it; and on March 31 Woodford cabled McKinley that he was convinced that the ministry would move as fast as public opinion would permit. On April 3 Woodford learned that the Spanish government, due to the intercession of the Pope, was preparing to grant an armistice to the Cubans. He imme-

The Spanish concede virtually everything demanded by McKinley

diately cabled McKinley that the government and people of Spain desired peace, and that "if you can still give me time and reasonable liberty of action I will get you the peace you desire so much and for which you have labored so hard." On April 5 the Spanish minister at Washington was able to notify the United States State Department that his government had ordered the termination of the "reconcentration" policy in Cuba. Four days later, April 9, the rumor that Spain would grant an armistice was confirmed. The



ANOTHER OLD WOMAN TRIES TO SWEEP BACK THE SEA.

From the New York Journal, 1898

Public opinion in favor of war overwhelms McKinley.

Spanish Foreign Minister informed Woodford that an order had been issued to the commander of the army in Cuba "to grant immediately a suspension of hostilities for such a length of time as he may think prudent to prepare and facilitate the peace earnestly desired by all." Woodford cabled McKinley on April 10 that "the present Government is going, and is loyally ready to go, as far and as fast as it can." Spain had virtually conceded everything but Cuban independence, and Woodford assured McKinley that even that was recognized as inevitable.

Yet on the next day after receiving the message that the Spanish had conceded substantially everything that the United States had

demanding, McKinley sent his message to Congress asking for authority to employ the armed forces of the United States to bring an end to the war in Cuba. The message was written some days prior to Woodford's cable of April 10 notifying McKinley that Spain had yielded to all the important American demands. Despite the knowledge of Spain's concessions in the interest of peace, the President sent in his message, with only a bare reference to these concessions. McKinley could not go against public opinion. The country wanted war, especially the young Republicans who were already advocating the annexation of the Philippines and other Spanish colonies, and he would let them have their wishes.

*McKinley
ignores
Spanish
concessions
and pro-
poses war*

Amid wild tumult Congress passed a joint resolution (in four parts) on April 19, 1898, signed by the President on April 20, which Spain accepted as a declaration of war. The resolution declared Cuba free; authorized the President to demand the withdrawal of the Spanish forces from Cuba; and, in the case of their refusal to withdraw, to use the armed forces of the United States to drive them out. The fourth part, known as the Teller Amendment, disclaimed any purpose of annexing Cuba. Significantly it was accepted as an amendment to the war resolution without opposition. By an act of April 25 Congress went beyond this joint resolution calling for intervention, and declared that war had existed since April 21.

*Congress
declares
war*

CHAPTER XVII

The Spanish-American War

THE AMERICAN NAVY CARRIES THE WAR TO CUBA AND THE PHILIPPINES

*The
strength
and early
movements
of the
fleet*

FORTUNATELY the conflict with Spain was to be essentially a naval war; for, while the land forces of the United States were, as will be presently shown, ill prepared for war, the navy was new, and well manned and equipped. The modernization of the American navy had begun under Arthur and had been pushed steadily forward under Cleveland, Harrison, and McKinley. John D. Long, McKinley's Secretary of the Navy, and his Assistant Secretary, the ever-youthful and energetic Theodore Roosevelt, had completed and equipped several unfinished warships and added these to the fleet. Then in anticipation of war with Spain they had assembled the bulk of the Atlantic fleet in the Chesapeake under the general command of Captain (presently Rear-Admiral) William T. Sampson, where it was supplied, maneuvered, and given target practice. Then as war approached, Commodore W. S. Schley was given a portion of the fleet as a Flying Squadron to be based at Hampton Roads to protect the east coast from possible attacks by the mythical Spanish fleet; and the remainder of the fleet under Sampson was based at Key West. Schley's and Sampson's forces each consisted of two battleships and smaller units; and when the new battleship *Oregon* joined Sampson after a voyage of 14,000 miles from San Francisco around South America the Admiral could assemble five battleships—three of them new—to use against the Spanish in the Atlantic or Caribbean.

In planning for war Theodore Roosevelt and his friend, Henry Cabot Lodge, had for some time been casting covetous eyes upon the Philippine Islands. Although most Americans, including McKinley, were thinking in terms of merely driving the Spanish out of the Caribbean by freeing Cuba and annexing Porto Rico, Roosevelt and a group of young imperialists, supported by a powerful minority of the press and public, were definitely planning to seize the Philippines as an American colony and to begin the harvesting of other islands and territories too weak to protect themselves. In prepara-

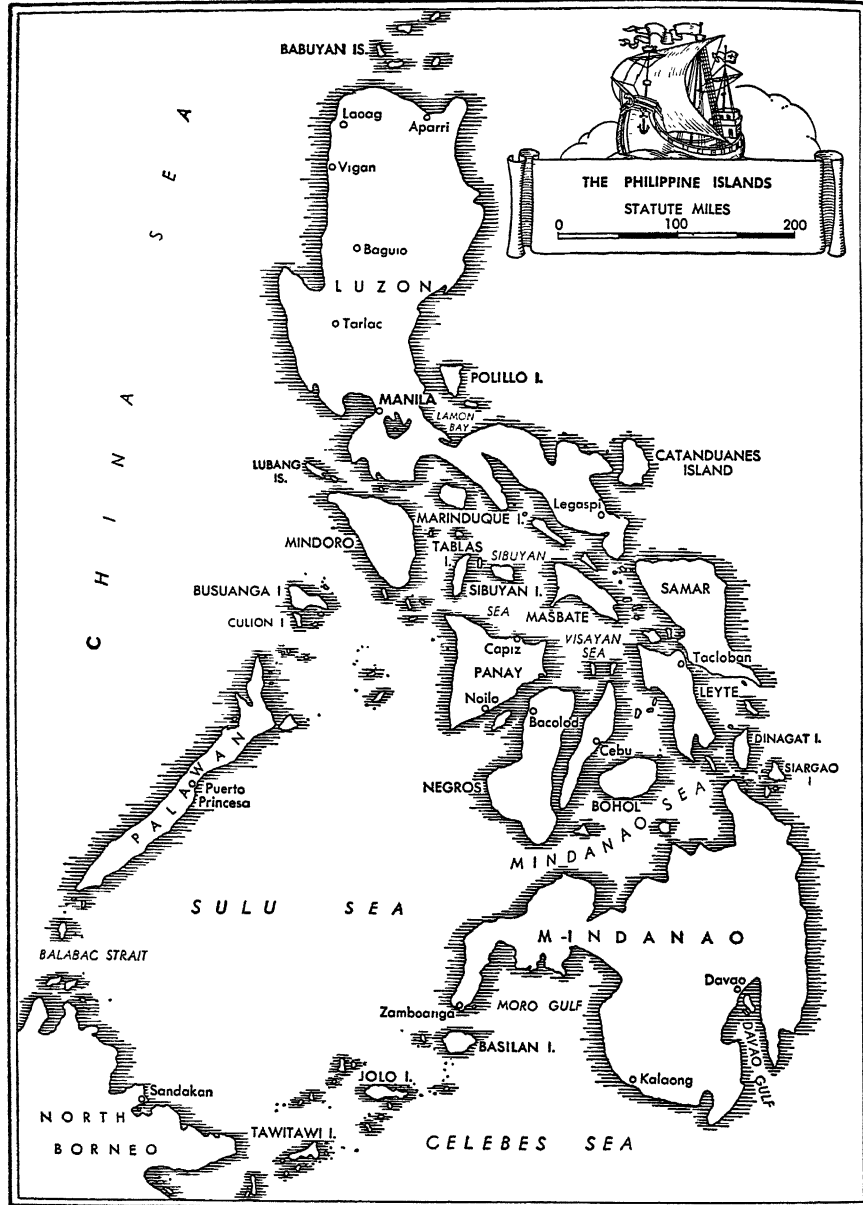
tion for the seizure of the Philippines, Roosevelt pulled the political wires and obtained the appointment of Commodore George Dewey, a real fighting man, to command the Asiatic squadron, which consisted of four cruisers and auxiliary vessels based on Hong Kong. Before Dewey left for his new command, Roosevelt and Lodge "briefed" him thoroughly on his duties in case of war, and saw that he was well supplied with literature on the Philippine Islands. On February 25, ten days after the sinking of the *Maine*, during a few hours absence of Long, Roosevelt sent a secret and confidential cable to Dewey to retain the flagship *Olympia*, which was about to return home for an overhauling, keep his bunkers filled with coal, and, in case of war with Spain, attack the Spanish squadron in the Philippines without delay.

On April 22 in accordance with the spirit of the joint congressional resolution of the previous day, Admiral Sampson left Key West with the greater part of his fleet to establish a blockade on the northern side of Cuba and to police the waters between Cuba and Porto Rico, while Schley was presently ordered to proceed to the patrol of the southern shores of Cuba. Both were on the lookout for the Spanish naval force, which left the Cape Verde Islands on April 28 and was expected in the Caribbean within a week or ten days. It was known in all well-informed circles that the warships of the Spanish navy—which were seaworthy—were only partly manned and poorly equipped cruisers and auxiliary vessels, and that this navy—or any European navy—was incapable of crossing the Atlantic and engaging in battle without first re-coaling. Since the Spanish "fleet" could get coal only in Cuban and Porto Rican harbors, it was certain that the Spanish Admiral Pasqual Cervera would first stop in one of these ports before attempting to engage the American fleet. Despite this, the population on the east coast apprehended a monster Spanish navy that would swoop down upon them and destroy whole cities. Wealthy people were said to have moved into the interior under the spell of this Halloween fright. It was delightfully terrifying.

In the meanwhile Dewey had received orders to proceed to attack the Spanish fleet at Manila. His squadron consisted of four modern cruisers, two gunboats, a revenue cutter, a collier, and a supply ship. Disregarding reports of mines and land batteries, Dewey's flagship, the *Olympia*, led the squadron between the capes into Manila Bay in the early morning hours of May 1 without mishap. Here he found the old Spanish warships anchored in a crescent at Cavite, near shallow water where the crew might have some chance for survival, passively waiting to be blown to bits. Steam-

The American naval forces in search of the Spanish squadron; the east coast becomes hysterical over a mythical Spanish fleet

Dewey's easy victory in Manila Bay; reactions of the great powers



THE PHILIPPINE ISLANDS.

ing back and forth eastward and westward as easily and as safely as on maneuvers, Dewey's cruisers and gunboats brought virtually every gun into use and shortly the Spanish "fleet" and shore batteries were completely demolished. The American casualties were eight men slightly injured; those of the Spanish were one hundred and sixty-seven killed and two hundred and fourteen wounded. The news of the victory set the bellicose American public wild with delight; and, despite the well-known inferiority of the Spanish navy, it made a deep and unpleasant impression on continental Europe. Indeed there were rumors of intervention in behalf of Spain by France, Germany, Austria, and Russia. Significantly Great Britain alone regarded the easy American victory with satisfaction. The British, on unfriendly terms with Germany, Russia, and France, and soon to have the Boer War on their hands, desired American friendship and took this occasion to cultivate it.

Although Dewey had demolished the Spanish naval power in the Philippines and controlled Manila Bay, he could not take the city of Manila or the territory held by the Spanish without land forces. He immediately urged the War Department to send him troops; and that slow-moving Department assembled a considerable force at San Francisco under General Wesley Merritt, which by June 30 began arriving in Manila Bay.

*Troops sent
to the
Philippines*

In the meanwhile Dewey made the serious mistake of transporting from China back to Luzon the exiled Philippine guerrilla chieftain, Emilio Aguinaldo, who promptly took the lead in the revolt already in progress against the Spanish. Aguinaldo was given the impression that the Philippines were to be freed and given their independence just as had been promised Cuba; and this was to prove embarrassing and costly to the United States when the Filipinos learned that the American government had no such intentions, but that it would hold the archipelago as colonies for an indefinite period.

*Aguinaldo
brought
back to
the Phil-
ippines to
lead the
guerrillas*

Dewey, while waiting for General Merritt's forces, established a blockade to prevent any aid from reaching the beleaguered Spanish army; and, in accordance with international practice, the great powers dispatched warships to the scene to protect their nationals and to observe the blockade. It will be remembered that all the European powers save Britain viewed the American attack upon Spain with strong disapproval; but, with the exception of the German squadron, which was stronger than that of the Americans, the naval forces of the other powers scrupulously observed the blockade regulations, the most important of which was to notify the American Admiral of any intention of entering the blockaded zone. The German Vice-Admiral Von Diederichs, however, refused

*Dewey's
difficulty
with the
German
Vice-Ad-
miral Von
Diederichs*

to notify Dewey of his comings and goings; and Dewey, who was quite justly skeptical of the peaceful intentions of such a large naval force, brought the German ship, the *Cormoran*, to a stop one day by having a shot fired over her bow. This did not, however, put an end to the truculent behavior of the German Vice-Admiral; but finally Dewey seems to have sent him a message that did terminate it. Dewey never reported the wording of the message even to the Navy Department, and it may be that Von Diederichs finally complied with the regulations of his own volition. At any rate a newspaper correspondent, who was with Dewey at the time, said the latter sent the German Vice-Admiral word that the blockade regulations must be obeyed, and that "if he wants a fight he can have it right now." A later examination of the German archives revealed that Germany had no desire to have a war or even a brawl with the United States, but that the strong naval force was at Manila for the purpose of enforcing German claims to the Philippines in case the United States abandoned them at the end of the war. Von Diederichs' truculence was impersonal and was doubtless one of the characteristics being developed in Germany's officer class during that period.

*United
States
not plan-
ning to
abandon
the Phil-
ippines*

The United States, however, was not planning to abandon the Philippines, partly because of the strong demand by the Roosevelt-Lodge group that they be retained, but primarily, perhaps, for the very reason that the Great Powers would pounce upon them if it did give them up; nor was it planning to let the enfeebled Spanish kingdom continue its barbarous rule. General Merritt's forces having arrived and everything having been prepared, the naval and land forces moved in and captured Manila and 13,000 prisoners on August 13-14 without serious difficulty. But Aguinaldo's native "republic" was ignored; and very soon the Americans succeeded the Spaniards in the business of suppressing native revolt.

*Spanish
squadron
bottled up
in the
harbor of
Santiago*

Before the Spaniards had been defeated in the Philippines, their rule in the Caribbean had been brought to an end, chiefly by naval warfare. Schley's tardiness in leaving Key West to patrol the coast of Southern Cuba enabled Cervera to bring the Spanish warships safely into the land-locked harbor of Santiago de Cuba on May 19, which was the day Schley departed from Key West. Even then it was not until May 29 that Schley began a blockade of Santiago; and his delay gave the Spaniards ample time to refuel and conduct a raid on the Atlantic coast. Fortunately for the United States Cervera's "fleet" was in no condition either for raiding or combat. Like the Spanish squadron just destroyed at Manila, the ships were poorly armed and inadequately manned. When Cervera departed

from Spain he informed his superior that he was carrying both his ships and his men to their doom. But the American people were not fully informed of the condition of the Spanish navy; and they were able to work themselves into what seemed like a genuine fright until the news was spread abroad that Cervera was bottled up in the harbor of Santiago. As quickly as possible Admiral Sampson brought the major portion of his fleet to Schley's aid so that the Americans now had five battleships, two cruisers, and numerous smaller craft lying in a semicircle off the entrance to Santiago Bay, in which was anchored the Spanish "fleet" composed of four armored cruisers and a few smaller craft. Naturally Cervera would not of his own volition come out of his well-protected harbor to meet certain destruction, nor could the American fleet pass through the narrow channel lying between well-fortified elevations.

THE LAND FORCES CALLED IN TO AID IN CAPTURE OF SANTIAGO

Eventually, of course, the "fleet" and the city with its large garrison could be starved into surrender;¹ but the yellow journals and the impatient American public wanted action, and the land forces were called in to aid the navy by surrounding the city from the land sides. As previously observed, the land forces of the United States were not prepared for war in 1898. The American people had seemingly not learned a single military lesson from the War of 1812, the Mexican War, or the titanic Civil War. They had so neglected their army that it was in a worse condition than it had been since the outbreak of the War of 1812. The regulars numbered about 26,000 enlisted men and 2143 officers scattered in small garrisons over the country. The higher officers and many of the majors and colonels were veterans of the Civil War, just as the chief officers at the beginning of the War of 1812 had been veterans of the Revolutionary War; and in each case, outside of skirmishes with the Indians, they had not seen military action for thirty years or more, nor had most of them so much as seen a regimental drill. Seniority had been the rule for promotion and proved merit was conspicuous for its absence. As for a central planning board or general staff, no such body existed. General Nelson A. Miles, general-in-chief of the army, was sixty years old and his experience in large-scale fighting dated back to the Civil War where muzzle-loading rifles and smooth-bore cannon were the usual weapons of infantry and artillery.

*The poor
condition
of the
land forces*

¹ While the American fleet was lying off the port of Santiago, a group of men led by Lieutenant Richmond P. Hobson sank the collier, *Merrimac*, in the channel in an attempt to bottle up the Spanish fleet. This heroic feat, which resulted in the capture of Hobson and his companions, failed to accomplish its purpose, but it did make Hobson a national hero.

The National Guard, the second line of defense, had long since—if it ever had been so—ceased to be a military organization. Its chief martial service since the Civil War had consisted of annual encampments where picnics and drinking bouts rather than drill received the chief emphasis. What arms they possessed usually consisted of cast-off single-shot rifles, single-action revolvers, and cannon—when they had them—of the same vintage. The ammunition used by both the National Guard and the regular army was charged with black powder (even the Spaniards were using smokeless powder), which would give the enemy a perfect outline of the American positions, and by the dense pall of smoke obscure the aim of our infantrymen and artillerymen. Perhaps Roosevelt was not revealing a perennial adolescence—as some have said about him—when he assumed the attitude that what the United States most needed was a war. Perhaps the American people, having forgotten all the bitter lessons of their previous wars, needed a new lesson if they were to survive.

The mobilization of the volunteers and the regulars

After war broke out, Congress began to prepare the land forces for war. A volunteer army to be raised by the states on a quota basis and chiefly through the National Guard organizations was authorized on April 23, 1898. A mad scramble to enlist followed, ranging from teen-age boys to veterans of the Civil War. These volunteers assembled chiefly in Chickamauga Park and at Tampa, Florida. There were not enough tents, uniforms, and modern rifles to supply more than a fraction of the volunteer army, nor was the food supply adequate. Indeed the “embalmed” and canned beef which the soldiers were compelled to eat contributed as much to the suffering and death of the soldiers as did fever, bad sanitation, and battles.

Expeditionary force assembled at Tampa; officers and troops poorly trained and equipped

The burden of land war fell upon the regular army which Congress had increased to about 60,000 by an act of April 26. At Tampa, Florida, was assembled a force of regulars together with a small number of volunteers and the Rough Riders—a regiment of cowboys, wrestlers, boxers, football players, polo players, and even a few desperadoes, organized by Theodore Roosevelt and his friend Captain Leonard Wood—to be sent to Cuba and Porto Rico.

General Miles had wisely advised the War Department and the President—who had agreed with him—that no American soldiers should be sent to Cuba or Porto Rico before fall, at the end of the rainy season when danger from fever and exposure would be much decreased. Nevertheless Sampson, as soon as the blockade of Santiago was established, urged his government to send a military force immediately to invest Santiago and thus aid in the capture of that

city and the destruction of the Spanish fleet. Through political wire-pulling General William R. Shafter was given command of the troops in place of Miles. Shafter, who weighed three hundred pounds and who had almost literally to be hoisted upon his horse by a derrick, was totally unfitted for warfare in the jungles of Cuba. The next man in importance in the proposed expeditionary force was the ex-Confederate General Joseph Wheeler ("Fightin' Joe Wheeler"), who had been out of uniform since the Civil War, and out of the United States army uniform since 1861. His appointment by McKinley as Major General of Volunteers was of great moral value; but what he knew about modern warfare and especially about jungle fighting was little indeed. Theodore Roosevelt, Wheeler's most prominent subordinate, although shrewd and quick to learn, was totally innocent of military knowledge of any kind. Hundreds of the men, who helped to constitute the expeditionary force of about fifteen thousand, had never drilled or had an army rifle in their hands. All the troops at Tampa, except the Rough Riders, were dressed in woolen uniforms.

On May 30, in accordance with Sampson's request, Shafter was ordered to load his troops on transports and proceed to join the fleet at Santiago. With only one single-track railroad to serve the camp, everything was in complete chaos when the order was given. After several days of mad scramble, in which Roosevelt and his Rough Riders—minus their horses—seized a train and captured for their use the transport *Yucatan*, intended for several other regiments, the expedition was ready to depart. But the rumor that a Spanish warship was at large in the Bahama waters held up the expedition, and for a week the crowded transports lay in the blistering heat. On June 14 the convoy sailed; and fortunately during the six days' voyage to the southern coast of Cuba the sea was calm, and the men were able to get out on deck where they could get fresh air, else many would have been suffocated.

In a conference between Sampson and Shafter, the Admiral urged that the army be landed near the entrance of the harbor of Santiago so as to compel the withdrawal of the Spanish garrison from the nearby hills. Shafter, however—perhaps very wisely—decided not to attempt to make a landing so near the Spanish fortifications, for the probable failure of such a move might have serious consequences. Instead, after consultation with the Cuban General Calixto Garcia, Shafter disembarked his troops along the railroad between Daiquiri and Sibony Bay a few miles to the east of Santiago. General Joe Wheeler, Colonel Wood, and Lieutenant-Colonel Roosevelt with the Rough Riders and other cavalry units landed

The debarkation, a mad scramble

The army is landed at Daiquiri and Sibony Bay, the battle of Las Guasimas

in advance of most of the other troops. These three dismounted cavalymen were out for action. They assembled a thousand men composed of the Rough Riders and two squadrons of regulars from the First and Tenth Cavalry and, slipping past General H. W. Lawton's outpost position, they attacked and defeated the Spanish in a heavily fortified stronghold at Las Guasimas on the road to Santiago. Although this maneuver and attack had been carried out in violation of Shafter's orders, it was the first land battle of the war, it was successful, and through Roosevelt's influence it was thoroughly publicized in the American newspapers. McKinley, ignorant of the fact that the battle of Las Guasimas was a violation of Shafter's orders and that it actually delayed the progress of the army, had Secretary of War Alger send a message to Shafter thanking him and his army "for the gallant action of yesterday."

*Spanish
resistance
at El
Caney al-
most dis-
rupts
Shafter's
plan of
battle*

During the week after this first encounter Shafter was able to get his forces together and in some order, and to prepare to move on Santiago. This city lay in sight of the American army, but the jungle-covered valley of the San Juan River and the fortified San Juan Hill on the west of the valley intervened. A few miles up the valley to the north was the fortified village of El Caney, held by a garrison of five or six hundred Spaniards. Shafter, too ill to take the field, directed General Lawton to take his division and drive the Spanish from El Caney, and rejoin Wheeler's and Kent's divisions, which were to attack the enemy position on San Juan Hill. Shafter estimated that it would take Lawton only an hour to drive the Spanish out of El Caney, but the Spanish were well entrenched and protected by barbed wire and a blockhouse; and almost the entire day (July 1) was required at a cost of more than four hundred in killed and wounded. Nor was Lawton able to bring his men to the support of the force operating on the San Juan Hill sector until ten o'clock on the following day (July 2).

*The narrow
victory of
San Juan Hill*

Shafter's forces on the San Juan Hill front were badly in need of reinforcements when Lawton arrived. While he had been engaged in the attack upon El Caney, Wheeler's division and that of Kent had moved across the jungle-covered valley in close order along a narrow road; and long before they had reached the open fields before San Juan and Kettle Hills, they had suffered heavy casualties from Spanish artillery and rifle fire. The position of the American forces had been revealed by their own reconnaissance balloon which was towed along with troops, and by the artillery which was using black power. Finally, when the troops came out of the woods into the open, they were so galled by the enemy fire that they seem to have charged spontaneously up San Juan and Kettle Hills. The

Spanish troops gave way before the assault, and by night (July 1) the American forces had occupied both hills. Wheeler had been too sick during the morning to command his troops, but by the time of the assault he was on the field. As for Roosevelt, he and his Rough Riders had charged across Kettle Hill and up the slopes of San Juan Hill in the face of murderous rifle fire with great gallantry.

THE IRRESISTIBLE IN ACTION.



Literary Digest, September 24, 1898

"SHAFTER'S DASH AND DARING SAVED THE DAY AT SANTIAGO."—War Department Bulletin.

Shafter seriously contemplated giving up San Juan Hill and falling back several miles to a better defensive position—for he had lost in killed and wounded on July 1 and 2 about 1500 men. Indeed, he sent a message to the War Department stating such intention on July 3. On the same day, however, in the hope of bluffing him, he sent a message to the Spanish General José Torel that unless he surrendered by ten o'clock of the next day (July 3) he would shell Santiago. He also called upon Sampson to force the narrow channel with his fleet and destroy the Spanish squadron, and by so doing catch the Spanish land forces in front and rear. Sampson agreed to hold a conference with Shafter at Sibony on July 3 to discuss some method of co-operation that would save the army from further losses such as those suffered on July 1 and 2.

THE DESTRUCTION OF THE SPANISH SQUADRON

In the early morning of July 3, Sampson's flagship, the fast cruiser *New York*, withdrew from its station on the right of the

fleet to carry the Admiral to the conference with Shafter. But the Spanish garrison and fleet at Santiago saved the American army and navy the difficult task of co-operation. Their situation and that of the inhabitants of Santiago were far worse than Shafter's: virtually no food was left in the city, while the armed forces were short of both food and ammunition. The Captain General of Cuba at the command of the Spanish government had already given Admiral Cervera orders to attempt an escape from Santiago at the first opportunity, and even should there be no opportunity he was to make a



THE WEST INDIES.

dash for the open sea when the fall of the city became imminent. The Spanish government knew as well as Cervera—who had constantly warned of this from the beginning—that its fleet and the ship's crews would be destroyed in an encounter with the American navy; but the government demanded for political purposes that the squadron go down fighting rather than surrender. On the morning of July 3, soon after Sampson had departed for his conference with Shafter, the Spanish squadron came out of Santiago Bay under full steam, in the face of the American fleet, and turned sharply westward in a daring effort to escape.

*The running
battle;
Schley in
command*

The commander of each American warship had specific orders from Admiral Sampson as to what to do in case the Spanish squadron came out; and accordingly they closed in upon the enemy ships and forced them to hold their course near the shore where maneuver

would be impossible. Commodore Schley, in Sampson's absence, was, of course, the senior officer in command, and he merely repeated Sampson's standing orders. This was the correct procedure. Schley did, however, make a tactical move that could have caused a disaster. His flagship, the *Brooklyn*, which was on the western end of the blockade, instead of turning to the west in pursuit of the Spanish ships, made a loop by turning first east and then about to the west. This brought it in the path of the battleship *Texas*, which was compelled to reverse its engines to prevent a collision, and this caused some delay. The *Brooklyn*, *Oregon*, and *Texas* were in the lead, and at the end of a forty-three mile chase they had destroyed or run the four cruisers upon the beach. The smaller Spanish vessels including two destroyers were shot to pieces by the guns of the converted yacht *Gloucester*, which did not receive a single hit from the destroyers. The Spanish lost in this action 323 killed and 151 wounded. The Americans lost one killed and one wounded.

Admiral Sampson arrived upon the scene just in time to receive the surrender of the last Spanish cruiser, the *Christobel Colón*, through the captain of the *Brooklyn*, Schley's own flagship. Sampson in reporting the engagement by cable that night failed to mention Schley's name. However, Sampson's ungenerous conduct, although partly due to a jealous nature, was primarily due to the distinct impression, possibly correct, that Schley was assuming the credit for the victory. This probably grew out of the message that he signaled Sampson as the latter approached the final scene of the battle: "We have gained a great victory. Details will be communicated." At any rate this was the beginning of a bitter controversy between Schley and Sampson in which the American public took one side or the other, and in which to a later generation both officers appear in a very poor light. As a matter of fact the battleship *Oregon* with its excellent captain and well-trained gunners could have with the greatest of ease destroyed the Spanish squadron without the intervention of either Sampson or Schley.

The controversy between Sampson and Schley

THE ENDING OF THE WAR AND THE TREATY OF PEACE

The destruction of the Spanish squadron was completely demoralizing to the beleaguered Spanish garrison. There was no chance of reinforcements or of supplies and food being brought in. Nothing was left but surrender; and after two weeks of negotiations—prolonged by the Spanish as a matter of pride—Shafter received the unconditional surrender of the enemy garrison on July 17, the agreement having been reached the day before.

The surrender of the Spanish garrison

It was well indeed that the surrender came when it did, for the worst of General Miles' warnings against landing American troops in Cuba in the summer, rainy season had come true. The army was threatened with extermination by yellow fever, malaria, dysentery, and food poisoning. Ten days after the Spanish surrendered, more than 4000 of Shafter's men were reported sick, and within a few more days Theodore Roosevelt asserted that not ten per cent of the men were fit for active duty. On August 3 a group of volunteer officers met and drafted a round robin dealing with the condition of the army and addressed it to General Shafter, who forwarded it to Washington. The paper was given to the press even before it was sent to Shafter, thanks to Theodore Roosevelt who had much to do with writing it. The pith of the round robin was: "This army must be moved at once or it will perish." Secretary of War Alger, who on the previous day had wired Shafter that it was going to take a long time to move the troops from Cuba, on receipt of the round robin had a lightning change of mind and promptly ordered the Cuban expeditionary force to Montauk Point, Long Island. About 23,000 left Cuba on August 8; and when they reached their destination more than 10,000 required hospitalization, and most of the others were so enfeebled that they resembled walking scarecrows. Eighty-seven men had died on shipboard and about two hundred more died after reaching camp.

*Conditions
in the
army camps
in the
United
States*

Similar conditions prevailed in the army camps in the United States. Unsanitary conditions, spoiled food, especially canned meat and "embalmed beef"—beef treated with a preservative fluid which was widely believed to have been embalming fluid—gave rise to widespread outbreaks of epidemics of typhoid fever and dysentery. Before the camps were disbanded, these diseases had killed more than four thousand soldiers, whereas the expeditionary force had lost only about 900 from both bullets and disease.

*Alger
blamed*

The public blamed Secretary of War Alger for the dreadful conditions in the camps and for the generally bad management of the war. McKinley was compelled eventually to let Alger go; and he appointed in his place Elihu Root, who proved to be one of the ablest men who have held that post. Alger, of course, was not responsible for the generally bad condition of the army and for its inefficient conduct. That condition, as we have suggested, was cumulative and was the result of the long neglect of our political leaders and of the indifference of the American people. Alger, of course, was an ordinary politician, and a man of Root's capacity could have done a little, but not much, better.

General Miles had come to Cuba at the end of the Santiago

campaign and, shortly after the surrender, he transported a small expeditionary force to Porto Rico. Here the people greeted him as a liberator rather than as a conqueror, and before he had engaged the enemy to any extent he was brought to a halt by the sudden termination of the war.

General
Miles oc-
cupies
Porto Rico



Literary Digest, October 8, 1898

SECRETARY OF WAR ALGER: "What are you all looking at me for? They ain't my chickens."

The loss of her fleet in the Philippines and her naval and land forces in the West Indies within a few weeks without inflicting more than surface scratches upon those of the United States, left Spain completely impotent to carry on the war. Soon, therefore, after the surrender of Santiago, the Spanish government acting through Jules Cambon, French ambassador to the United States, asked for peace terms. On July 30 the President replied that an armistice would be granted on condition that Spain relinquish title to Cuba, cede Porto Rico and one of the Ladrone Islands to the United States, and permit the United States to occupy the city, bay, and harbor of Manila pending peace negotiations which were

Prelimi-
nary peace
terms
agreed
upon

to determine the final disposition and government of the Philippine Islands. Spain demurred concerning the occupation of the city of Manila and the proposed disposal of the Philippines, which had not yet been occupied by the American troops—although Manila surrendered the day after the protocol was signed. McKinley and his Cabinet would not yield, however, and Spain was forced to accept the terms. On August 12 a protocol or preliminary agreement was signed, which embodied the terms laid down by the United States and provided for a peace conference to be held in Paris.

Negotiations of the peace treaty; Cuba

The clause in the protocol concerning the Philippines was deliberately left vague since McKinley had not made up his mind what to do with the islands. When, therefore, the peace commissioners met at Paris on October 1, 1898, they tabled the Philippine question after a brief but heated argument and turned to the problem of Cuba. The Spanish negotiators proposed to cede Cuba to the United States, which should assume the debt of about \$400,000,000 incurred by Spain in maintaining its government and army in Cuba. When the American commissioners rejected this proposal on October 24 the Spanish diplomats considered withdrawing from the conference and thus, for a while at least, postponing any treaty agreement. They could scarcely have lost anything more than they lost in the long run had they done this. But the Spanish ambassador to Paris, Sr. Castillo, intervened to prevent the collapse of peace negotiations, suggesting that Spain might receive some compensation elsewhere. At the next meeting the Spanish commissioners agreed to relinquish sovereignty over Cuba and assume responsibility for the Cuban debt, whereas the Americans agreed that the United States would occupy the island until the Cubans could establish a stable government.

The Philippines

On November 1 the commission again returned to the discussion of the fate of the Philippines, which had been laid upon the table pending the problem of Cuba. At the commencement of the war, little—except by a small but influential group of imperialists—was known or cared in the United States about the Philippines. Roosevelt, Lodge, Captain A. T. Mahan, famous for his books on the influence of sea power, and a few of their intimates composed the bulk of those who wished to annex these islands. Even McKinley was at first interested only in a naval base; but, when the war came to its end and the public was puffed up over its victory, the new sense of power and the propaganda of the imperialists reawakened the old expansionist appetite among the people, and McKinley found himself desiring to annex at least the large Island of Luzon. By the middle of October public opinion was predominantly in

favor of annexing the entire Philippine archipelago; and McKinley, whose feeling for public opinion was very sensitive, found himself wanting the archipelago, too. Nor was McKinley's logic seriously at fault once he applied logic to his decision to annex the Philippines. If we liberated the islands, he contended, the natives who had no political experience would not long be able to maintain any kind of national government, but would break up into a multitude of warring tribes. This would furnish the opportunity that Japan, England, France, and Germany—especially Germany—were at the moment hoping for—the opportunity to seize the Philippines. If the islands were given back to Spain, the inefficient and brutal misrule of that country with the recurring revolt of the natives would be perpetuated. So McKinley decided to take all the islands “and to educate the Filipinos, and uplift and Christianize them, and by God's grace do the very best we could by them, as our fellow men” The President could have added the stronger but less pious justification put forward by naval men and business interests—namely, that the Philippines gave us a naval base and a commercial footing near our markets in China.

When, therefore, the American commissioners took up the question of the status of the Philippines on November 1, they had received instructions from the President that the United States must have all the Philippine Islands. The Spanish commissioners tried desperately to save the islands; and they were certainly correct in their contention that the United States had not conquered the Philippines, but was in possession of only Manila Bay when the protocol was signed August 12. The American government, in view of this truth, agreed to negotiate on the basis that the Philippines had not been conquered; but because of the obvious fact that the American forces could and would drive the Spanish out at no great cost, the Spanish commissioners agreed to cede the islands to the United States for \$20,000,000. As for the other cessions agreed to in the protocol, there was little argument: Spain agreed to cede Porto Rico and the Island of Guam in the Ladrões to the United States as indemnity.

THE FIGHT OVER THE PEACE TREATY

In January, 1899, the treaty was submitted to the United States Senate for ratification. It set off a storm of protest in and out of Congress. Most of the Democrats and many prominent Republicans, such as Senators Hoar of Massachusetts and Hale of Maine, and Speaker of the House, Thomas B. Reed, opposed the ratification of the treaty because of the annexation of Porto Rico and the Phil-

The anti-imperialist argument against the Spanish treaty

ippines. These noncontiguous territories inhabited by alien races, it was contended, could never be Americanized; and the possession of such, especially the Philippines, would inevitably involve the United States with the Great European powers who had interests in the East. This would be an abandonment of the American policy of isolation with its counterpart, the Monroe Doctrine; and it would compel the United States to build and maintain a powerful navy

WHAT THEY WILL FIND WHEN THEY OPEN THE BOX.



THE RECORD—CHICAGO
Literary Digest, October 8, 1898

and a strong army, which would place a heavy burden of taxation on the people and saddle them with militarism. But the most powerful argument against the treaty was ideological: the annexation of a people without their consent, indeed against their will, as was soon demonstrated in the long Philippine revolt, was a violation of the principle on which the American nation had been founded—the right of a people to choose their own government. It was naked imperialism no different from that of Great Britain, against whom the American people had once issued the Declaration of Independence setting forth the principle that all just government must rest upon the consent of the governed.

*The argu-
ment of
the imper-
ialists*

The imperialists urged upon the American people the economic advantages of having colonial possessions, and the necessity of possessing naval bases in the Caribbean for the defense of our home shores, and in the Far East for the protection of our growing trade in China. The ideological argument that the right of self-

government was being violated was blanketed by the emotional oratory of such men as Albert Beveridge, who boldly proclaimed that only those "who are capable of self-government" had a right to self-government. Those imperialists who were unwilling to repudiate the Declaration of Independence resorted to the practical argument set forth by McKinley, that the choice lay not between the independence of the Philippines and American imperialism, but rather between the possession of these islands by the humanitarian American nation and their possession by a ruthless European power like Germany. Such arguments were greatly strengthened by Britain's imperialist poet, Rudyard Kipling, who composed his poem "The White Man's Burden" for the special purpose of justifying the American annexation of the Philippines (Britain needed a friend in the Far East). The poem was to the point:

Take up the white man's burden
Ye dare not stoop to less
Nor call too loud on Freedom
To cloke your weariness.

It was, indeed, the argument of the white man's burden more than any other on which McKinley had rested his case for annexation when he had instructed the commissioners at Paris to accept nothing less than the entire Philippine archipelago.

This and other imperialistic arguments caught the imagination and soothed the conscience of millions of Americans, but not a sufficient number to bring about the ratification of the treaty. It was the archopponent of annexation, William Jennings Bryan, who induced enough Democrats and Populists to vote for the treaty to secure its ratification on February 6, 1899, by the narrow margin of 57 to 27. Bryan had made a fight against the imperialistic features of the treaty in stirring speeches delivered throughout the country. But he advocated the ratification of the treaty so as to bring the war with Spain to an official end. After that the anti-imperialists would demand that the Philippines be granted their freedom. This rather than free silver would also furnish an excellent issue for the Presidential campaign of 1900. Bryan was devoted to the principles of free government; he was also a politician who recognized a good issue.

*The treaty
ratified
and imper-
ialism
made the
issue of
the elec-
tion of
1900*

CHAPTER XVIII

The American Empire

THE PRESIDENTIAL ELECTION OF 1900

The Republicans claim the credit for the return of prosperity

THE Republicans were in an enviable position for the Presidential election in 1900. The prosperity that had coincided with the accession of McKinley to the Presidency in 1897 had by 1900 reached boom proportions. War contracts, general world prosperity, and inflation, due to the enormous increase in the world gold supply (p. 309) and to the large volume of national bank notes issued against the Spanish-American War bonds, were the most important factors in creating such favorable economic conditions. The Republican leaders quite naturally—as good politicians are wont to do—ignored the natural causes of this prosperity and gave their party full credit. The Dingley Tariff and “honest money” were the chief factors, they asserted, and many good Democrats and nearly all, if not all, of the Republicans were sure that Republican control meant prosperity for the country.

The nomination of McKinley and Roosevelt

McKinley, “the advance agent of prosperity,” was renominated without a dissenting vote at the Republican national convention that met in Philadelphia on June 19, 1900. But, of more importance as it transpired, Theodore Roosevelt was nominated for Vice-President. Both McKinley and Mark Hanna openly opposed the nomination of the impetuous, unpredictable Roosevelt; and they urged Elihu Root, who had succeeded the discredited Alger as Secretary of War, to become a candidate for the office but Root would not do so. Even Secretary of the Navy Long was appealed to in the effort to obtain a Vice-President who would conform to the smooth-running Administration. But, despite the opposition of McKinley and Hanna, Theodore Roosevelt, now governor of New York, soon took the lead in the Vice-Presidential race. Roosevelt had most vociferously denied that he was a candidate. The Vice-Presidency, he said, was no place for an active, ambitious man of forty-two. However, Thomas C. Platt, boss of the New York Republican machine, wished to consign to oblivion the obstreperous young governor of New York, who paid too little deference to the boss's interests in appointments to office and in governmental policies. He was very much in favor of making Roosevelt Vice-President

and thus getting him safely out of the state. Matthew Quay, the Pennsylvania boss, and Boise Penrose, his understudy and the future boss of Pennsylvania, also desired to make Roosevelt Vice-President in order to get even with Mark Hanna, who had had considerable influence in preventing Quay's election to the United States Senate. With the wirepulling of these three political bosses the movement soon grew into a sweeping popular demand for Roosevelt. In the



New York Evening Journal

McKINLEY AND ROOSEVELT.

"Yes, Willie, here is a nice boy Nurse and I have found to play with you. Treat him kindly, as he is very timid and retiring."

"What ails you, Willie?"

"Look at that campaign banner that Teddy has painted!"

meanwhile Roosevelt had come to the conclusion that the Vice-Presidency might serve as an excellent springboard from which he could leap into the Presidency in 1904. Feeling thus confident of big events in the future, Roosevelt, wearing his wide-brimmed hat and his irresistible, toothful grin, appeared before the convention and was swept along by the thundering applause of the delegates and the spectators. Faced with such frenzied support of the New York governor, Hanna and McKinley, with strong misgivings, withdrew their opposition, and Roosevelt was nominated.

The Republican platform, as already suggested, assumed all responsibility for prosperity which the country was enjoying. The benefits of the Dingley Tariff and the "sound-money" policy of the McKinley Administration were especially emphasized; and the platform pointed with unfeigned alarm at the danger to these pillars

*The
Republican
platform*

of well-being which would result from the return of the Democrats to power. The platform would dismiss the charges of imperialism made by the Democrats and several prominent Republican leaders. The destruction of Spanish sovereignty in the West Indies and the Philippine Islands, it contended, was the only possible course. "That course created our responsibility before the world," and it was the duty of the United States "to provide for the maintenance of law and order, and for the establishment of good government and for the performance of international obligations."

The nomination of Bryan; the platform makes imperialism the chief issue

The Democratic convention, which met July 4 in Kansas City, nominated Bryan against the wishes of the Eastern wing of the party; and on the insistence of Bryan inserted a plank demanding free silver, which was a further defiance of the wishes of the Eastern Democrats. This was unfortunate since the money issue had been solved temporarily by the great increase of the volume of gold and the issue of national bank notes. The platform further showed grave concern over the rapid development of the trusts and giant corporations, and the Republican Party was denounced for aiding the trusts, especially in its tariff policy as exemplified in the Dingley law. The platform demanded that the powers of the Federal government over interstate commerce should be invoked to set up effective legislative curbs on monopolistic corporations and unfair trade practices. On one point most Democrats seemed to be in full agreement: their opposition to imperialism. The platform would not permit the question of imperialism to be brushed aside or relegated to secondary importance by the Republicans: it, not prosperity, tariff, or money, was the paramount issue. The very foundation principles of the American nation were in danger. The annexation of the Philippines had "placed the United States, previously known and applauded throughout the world as the champion of freedom, in the false and un-American position of crushing with military force the efforts of our former allies [the Filipinos] to achieve liberty and self-government." It was impossible to make the Filipinos citizens without endangering American civilization and "they cannot be subjects without imperiling our form of government." The platform then demanded that the United States immediately declare its purpose of freeing the Philippines after establishing a stable government.

The arguments of the Democrats and Republicans on imperialism

In the succeeding campaign the Democratic orators, led by the tireless Bryan, constantly held up to public view the indisputable fact that the annexation and subjugation of an unwilling people were violations of the underlying principle of the Declaration of Independence—the right of a people to choose their own govern-

ment. The Republican speakers, led by the indefatigable Colonel Roosevelt, minimized this issue by emphasizing the humanitarian possibilities of educating and civilizing the "little brown brother," and by urging the inability of the Filipinos to govern themselves or maintain their independence in the face of German or Japanese ambitions. The combination of profit and humanitarianism in the annexation of the island colonies was deftly effected by Senator Beveridge: "It [the annexation of the Philippines] is God's great purpose," he said, "made manifest in the instincts of our race, whose present phase is personal profit, but whose far-off end is the redemption of the world and the Christianization of mankind."

The tariff and free silver—the latter now an anachronism as an issue—cut across the issue of imperialism; but the fact that the country was prosperous under Republican rule was the unbeatable argument of the party in power. Many Democrats voted against Bryan and free silver or remained at home, but many others voted for prosperity that seemed identified with the Republicans. The Republican ticket won by a vote of 7,219,525 compared with 6,358,737 for the Democratic ticket. McKinley's electoral vote was 292 to Bryan's 155. Bryan's popular support had been greatly weakened in the West since 1896 because of the rise in the price of farm products and livestock. The regular Populists supported Bryan as in 1896, but a group calling themselves the "Middle of the Road Populists" put out an independent ticket. Two socialist groups and a prohibition ticket drew other discontented voters away from the two major parties.

McKinley entered his second administration not only without a break in policy but with almost perfect continuity in administrative machinery. Certainly there was no change in his excellent Cabinet whose most outstanding men were John Hay, Secretary of State, and Elihu Root, Secretary of War. To add further to national exuberance, soon after McKinley's second inauguration Emilio Aguinaldo, the leader of the Filipino revolt against the Spanish and then against the Americans, was captured, and peace appeared just in sight.

The election of McKinley was accepted by the Republican Party as a mandate to maintain the gold standard, to continue the policy of a high protective tariff, and to organize and hold its new empire. But the President did not live to carry out the Republican mandates. On September 5, 1901, six months and one day after his second inauguration, he was shot by an anarchist—whose only motive was a fanatical objection to all government—and died on September 14. Theodore Roosevelt, who had been characterized by Mark Hanna

*Prosperity
the unbeatable
argument; the
Republican
victory*

*McKinley's
second ad-
ministra-
tion, a
continua-
tion of
the first*

*McKinley's
death and
the suc-
cession of
Theodore
Roosevelt*

and conservative Republicans as "this mad man," "this cow boy," "this bull in the china shop," and many less complimentary and even unprintable names, and who had been consigned to oblivion by Platt and Quay, was now President of the United States. A shudder of horror must have touched the members of every board of directors of the great corporations and the bosses of the political machines that served them. The general public (Republicans, Democrats, Populists, and Socialists), however, was prepared not to be bored, at least.

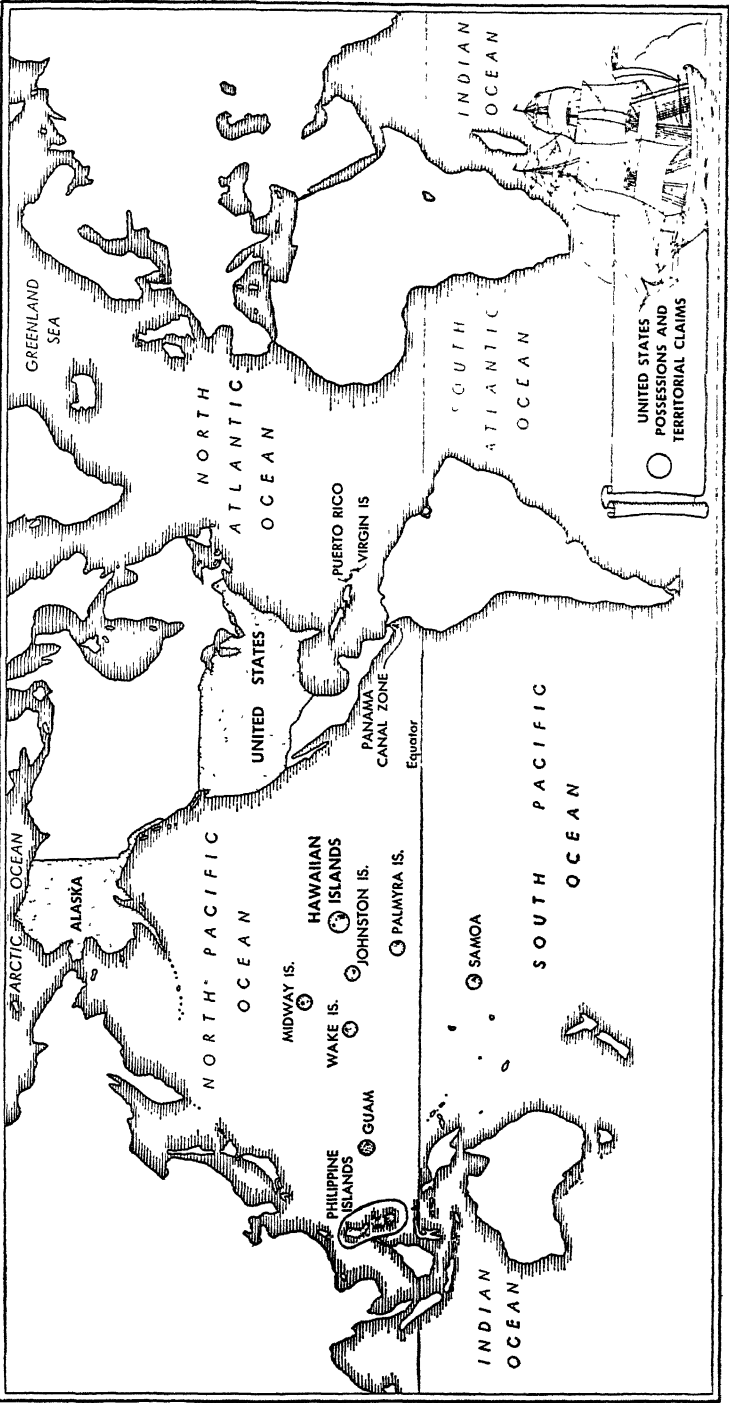
*Roosevelt
promises to
continue
McKinley's
policies;
he retains
his pred-
ecessor's
Cabinet*

Roosevelt, quite aware that he was regarded as a wild man by the conservatives of his party, showed himself to be an astute politician by promptly announcing that he would continue unbroken the policy of McKinley and would retain his predecessor's Cabinet. The new President did continue the foreign and the imperialistic policies of his predecessor for which he was more responsible than McKinley; but he finally extended these policies much further. His domestic policy, however, was to be a sharp reversal of the *laissez faire* policy of McKinley and the Republican Party. A party man, Roosevelt had always shared the Liberal Republican view in matters of social and political reform. Except on the question of inflation, he was far more in sympathy with the social and political philosophy of the Grangers, Knights of Labor, and Populists than with those of the Republican Party of Hanna and McKinley. On domestic questions there was no gulf between himself and the less well-educated William Jennings Bryan; and he was in sympathy at the time with such young progressives as Robert La Follette of Wisconsin. But Roosevelt, it must be repeated, was a party man and always a politician, so that he would not usually go beyond the point where he could lead or thought he could lead his party. (See Chapter XX.)

THE GOVERNMENT OF THE ISLAND COLONIES

*Temporary
governments
for the new
possessions*

A system of government for Hawaii, Porto Rico, and the Philippines was in the process of being formulated when McKinley died; and this work went on during Roosevelt's administration. In preparing the new colonial system the extreme imperialists contended that the acquisition of the islands did not make them part of the body politic of the United States, but that they were *mere possessions* to be governed according to the will of Congress and without the restraints of the Federal Constitution. The anti-imperialists, on the other hand, took the position that all territory acquired by the United States became an integral part of the nation, and that in consequence the Constitution of its own force extended to it.



U.S. POSSESSIONS AND TERRITORIAL CLAIMS (1900).

Elihu Root, whom McKinley had made secretary of war to help work out a colonial policy, held a middle ground between the extreme imperialists of the Beveridge type and the anti-imperialists like Senator Hoar and Bryan. In formulating plans for the temporary government of the Philippines, for example, he laid down the principle that all the fundamental rights guaranteed by the Constitution to the individual American citizen were likewise guaranteed to the inhabitants of the new possessions. McKinley supported Root in this position; and Roosevelt, although one of the original imperialists, accepted Root's policy and aggressively pursued it.

a. PORTO RICO AND HAWAII

*A civil
government
for Porto
Rico; the
Foraker
Act*

While the Philippines, Cuba, and Porto Rico were under military government, Root, of course, exercised control; and during the time when civil government was being established the civil commissions, such as the one headed by Taft in the Philippines, acted under his authority. Within a year after the treaty of cession, military government was no longer necessary in Porto Rico, whose inhabitants had never opposed American occupation; and on April 12, 1900, Congress by the Foraker Act provided for the establishment of a civil government in that island. In some respects the government resembled the second phase of the territorial governments of the American West and, in one respect, the royal colonial governments of Great Britain. The President was to appoint a governor and council and the latter was to act as upper house of the legislature, while the people were permitted a voice in the government through the popularly elected lower house of the legislature. Both the governor and Congress had a veto power over legislation just as in the case of an ordinary American territorial government. But there were differences from the American territorial system and the old British colonial governments: the governor could appropriate money for governmental expenses in case the legislature failed to do so; and the Porto Ricans were made citizens of Porto Rico but not of the United States. Porto Rico was further reminded of the fact that it was not a territory of the United States by the levying of a fifteen per cent duty on all of its products imported into the United States—although after July 25, 1901, free trade was to exist.

*Hawaii
given a
regular
territorial
form of
government*

Hawaii, the annexation of which had been hastened by the war with Spain and particularly the victory of Dewey at Manila, was at first accorded a treatment different from the islands acquired from Spain. It was granted a regular territorial form of government on April 30, 1900, and its inhabitants were made citizens of the United States. This special treatment was no doubt due to the fact

b. THE CONSTITUTIONAL BASIS OF THE AMERICAN COLONIAL SYSTEM

The bitter controversy between the imperialists and the anti-imperialists over the constitutionality of the Foraker Act and other proposed colonial measures, especially in the election campaign of 1900, made further legislation seem of doubtful value until the Supreme Court passed upon the laws already enacted. The Court, which was divided five to four between moderate imperialists and strong anti-imperialists, in a series of decisions rendered May 7, 1901, laid down the constitutional basis on which Congress could establish governments for all its insular colonies. The most important case, *Downes vs. Bidwell*, was a test of the constitutionality of the tariff provisions of the Foraker Act, and it involved a definition of the constitutional relationship of Porto Rico—and the other insular possessions—to the United States. It was contended by the plaintiff in the Downes case that Porto Rico was American territory, and that consequently the provision in the Constitution requiring all duties to be “uniform throughout the United States” rendered the revenue section of the Foraker Act void. The Court, however, by a five to four decision held that Porto Rico and the other island possessions were not American territory in the usual sense. Although they had been brought under American sovereignty by the treaty of cession, said the Court, they had not been incorporated into the United States. Only Congress could do that by a specific act of incorporation and until such an act was passed, the island possessions remained “appurtenant” or “unincorporated” territory subject to special legislative treatment such as the revenue provision of the Foraker Act.

An analysis of the majority decision, now that time and experience have removed the issue of imperialism from party politics, invalidates to a great extent the contention of the extreme anti-imperialists that the Supreme Court had ruled that the Constitution does not follow the flag. Actually the Court ruled that Congress in legislating for the citizens of unincorporated territories, just as in legislating for those within a state or incorporated territory, was controlled by the “general prohibitions of the Constitution in favor of liberty and property of the citizens.” Such prohibitions are “absolute denials [to the United States government] of all authority under any cir-

The Insular Cases; the island possessions declared “appurtenant” or “unincorporated” territory

The Constitution applies to the island possessions in the matter of “fundamental rights”

cumstances or conditions to do particular things." The Court considered the rights protected by the prohibitions of the Constitution as "fundamental rights." Freedom of religion, speech, assembly, and petition, freedom from arbitrary arrest and imprisonment, due process of law, equal protection of the laws, immunity from unreasonable search and seizure as well as from cruel and unusual punishment, free access to courts, and other similar rights were suggested by Justice Brown as constituting the fundamental or "natural rights" which the citizens of the island colonies would possess under the Federal Constitution. There were, according to the majority opinion, certain conventional and procedural rights peculiar to Anglo-Saxon jurisprudence, which applied automatically to the states and incorporated territories, but which could be made applicable to the unincorporated territory only by act of Congress. Such was the requirement of the Constitution providing that all duties shall be uniform throughout the United States.

The decisions in the early Insular Cases continue to be the doctrine of the Court

The four judges who voted in both the *De Lima vs. Bidwell* and the *Downes vs. Bidwell* cases, that the Constitution in its entirety follows the flag, dissented in vigorous language against the doctrine of unincorporated territory and the theory of fundamental and non-fundamental rights of the Constitution. But the majority decision continued to be the doctrine of the Court with reference to the constitutional relationship of the island territories to the government of the United States. In 1903 in the case of *Hawaii vs. Mankichi* the Court held that Hawaii had not been incorporated into the United States, and that certain procedural provisions of the Constitution, such as trial by jury, did not apply. In 1904 in *Dorr vs. United States* it rendered a similar decision concerning the Philippine Islands. As late as 1922, despite the act of 1917 providing for a more liberal government for Porto Rico, the Court still held that the islands had not been incorporated into the United States so as to require the extension to them of such procedural or conventional rights as trial by jury. It is noteworthy that the Supreme Court, in ruling that the fundamental or natural rights guaranteed by the Constitution belonged to the inhabitants of the insular possessions, adhered closely to the principles announced and acted upon previously by Secretary of War Root in governing the colonies. Root's influence in establishing the American colonial system can scarcely be overestimated.

C. THE PHILIPPINES

During the time that the Senate was debating the Spanish Treaty (January, 1899), McKinley was preparing to send a commission

Aguinaldo's army had scattered over the innumerable islands, and his men were conducting a guerrilla warfare that was even more deadly and far more terrifying than campaigns fought in the open. At night small bands of Filipinos would infiltrate the lines or come by stealth into the garrisons, and cut down unsuspecting soldiers with the bolo, a huge, keen-edged, sharply pointed knife, more deadly than the Cuban machete. Stung to madness by the Filipino system of warfare, the Americans retaliated in kind and wrung information from their captives by methods of torture which their Spanish predecessors had employed. The attitude of the American soldiers toward the Filipino during the guerrilla phase of the insurrection is well expressed in an army song:

Damn, Damn the Filipino
Pock-marked khakiac ladrone:
Underneath the starry flag
Civilize him with a Krag,
And return us to our own beloved home.

Finally Aguinaldo himself was captured in March, 1901, by General Frederick Funston, who lured the Filipino into a trap by the use of native enemies of Aguinaldo and forged documents. Once in American hands Aguinaldo took the oath of allegiance to the United States and issued a proclamation urging his followers to lay down their arms. It was, however, not until the summer of 1902 that the guerrilla warfare was ended.

*The Schurman
commission
report that
the Phil-
ippines are
not ready
for inde-
pendence*

Schurman, two of whose associates on the commission were Admiral Dewey and General Ewell S. Otis, commander of the American army in the Philippines, was soon convinced that the Filipinos were not ready for independence. Therefore, in making its report in June, 1900, his commission, while suggesting ultimate independence as a goal, recommended that the tutelage and training of the United States be continued for "an undefined period." Otherwise the islands "would speedily lapse into anarchy, which would excuse, if it did not necessitate, the intervention of other powers, and the eventual division of the islands among them." This was what McKinley had maintained all along.

*The Taft
commission*

Unable to get his first commission to accept an appointment for another year, in February, 1900, McKinley appointed a new one headed by William Howard Taft of Ohio, judge of the United States circuit court. Taft, like Schurman, was at the time an anti-imperialist, and he frankly told the President "I am sorry we have got the Philippines." McKinley replied "You don't want them any less than I do, but we have got them and in dealing with them I

think I can trust a man who didn't want them better than I can the man who did."

Secretary of War Root, who had been influential in having Taft appointed on the commission, prepared the instructions—addressed to himself and signed by the President. Considering the fact that the United States was conducting a war against the Filipinos, it was an extremely liberal document, frequently referred to as the *Magna Carta* of the Philippines and, as already observed, foreshadowing the future ruling of the Supreme Court. The commission were to

Root's instructions to the commission, the Magna Carta of the Philippines

devote their attention to the establishment of municipal government, in which the natives of the islands, both in the cities and in the rural communities shall be afforded the opportunity to manage their own local affairs to the fullest extent of which they are capable, and subject to the least degree of supervision and control . . . consistent with the maintenance of law, order and loyalty.



Courtesy of Brown Brothers
ELIHU ROOT,

Founder of the American Colonial System.

The next step was to be the organization of government in the large administrative divisions and finally the establishment of a government for the entire island group. The commission was further instructed that the government to be established in the Philippines was for one purpose only: "the happiness, peace and prosperity of the people of the Philippine Islands," so that they "may come to look back with gratitude to the day when God gave victory to American arms at Manila." In its conduct of affairs under Root's instructions, the commission was to guard the personal rights of the Filipinos that were in the Bill of Rights of the American Constitution—except trial by jury and the right to bear arms.

In September, 1900, the commission took over all legislative and administrative authority from the military commander, although the army was not always willing or able to give way to the commission while waging war. This being done, Taft proceeded to organize local and provincial governments, frequently permitting

Taft organizes civil government in the Philippines

the Philippine communities to select their own officials. A supreme court consisting of a Filipino chief justice, several Filipino associate justices, and a large number of American associate justices,



Courtesy of Brown Brothers

EMILIO AGUINALDO.

and courts of first instance with native judges, were promptly established. On July 4, 1901, Taft became civil governor, and the commission to which Filipinos were added continued as a legislative body.

The Philippine Government Act of July 1, 1902, approved the Root instructions on which the Taft commission had based its two-year civil rule in the Philippines; and it continued the commission as the upper house of the legislature, provided for a governor to be appointed by the President with the consent of the Senate, and added an elective assembly which was to become the lower house of the legislature. It was not until 1907, however, that the first assembly was elected; and even after that, the portions of the islands inhabited by the Mohammedan Moros and other non-Christian tribes were continued under the control of the governor-general and the commission. In 1916 during the first administration of Woodrow Wilson, while the anti-imperialists were in power, an elective Senate was established for the Philippines by the Jones Act; and Governor-General Francis B. Harrison virtually turned over the control of the government to the Filipinos. By this time there was little doubt in the minds of those who followed the trend of American public opinion that the Philippine Islands would be given their independence as soon as they were ready for it.

In 1921 the imperialistic General Leonard Wood, who succeeded Harrison, began a six-year rule as governor-general, marked by efficiency in material affairs, but by political ineptitude. At the time of his death in 1927 the Filipinos were so embittered that insurrection and even revolution seemed possible. But under the administration of Wood's successors, beginning with Henry L. Stimson in 1928, the trend toward turning the government of the Philippines over to the Filipinos was resumed, and the movement in the United States and among the Filipinos for independence made rapid advances. This movement was supported not only by bona fide anti-imperialists in the United States, but by those special interests that desired Philippine independence for the purpose of levying protective tariffs against Philippine products. In 1932 Congress passed the Hawes-Cutting Act establishing a ten-year protectorate to be succeeded by independence. The Philippine legislature failed to put the law into execution because of the tariff threat. However, in 1934, the Tydings-McDuffie Act which offered independence after ten years was accepted and on July 4, 1946, President Harry Truman declared the Islands an independent republic.¹

American rule proved unprofitable to the Americans, but a boon to the Filipinos. In 1898 when the Spanish rule came to an end only about 5000 children in a population of about 8,000,000 were in school. Outside of the small, well-to-do classes there was almost

*The gradual
establish-
ment of
self-gov-
ernment*

*American
rule proves
a boon to
the Fili-
pinos: Edu-
cation*

¹ The war with Japan, during which the Japanese armed forces occupied the Philippines, postponed the granting of independence two years.

universal illiteracy; but even before the passage of the Philippine Government Act, the Taft commission began the establishment of a system of public education modeled after that in the United States. In August, 1901, six hundred teachers from the United States were landed at Manila; and they moved out systematically over the islands behind the army of occupation. By 1935 there were 7000 public schools staffed by 27,000 teachers—most of whom were Filipinos—and hundreds of church schools. Enrolled in these schools were 1,300,000 pupils, and illiteracy was rapidly vanishing.

Under American administration sanitary conditions were revolutionized. Smallpox, cholera, and yellow fever were practically eliminated; leprosy was checked by establishing colonies for lepers, and hundreds of cases were arrested or cured. The economic life of the people was greatly improved by the lowering and the virtual abolition of the tariff barriers in the United States, so that the American market was open to the chief Philippine products such as hemp, tobacco, cocoanut oil, sugar, and lumber. One of the most important aids given the Filipinos was the purchase and disposal of the "friar lands." These lands lying chiefly on the Island of Luzon belonged to several Catholic orders; and during the revolt of the Filipinos against the Spanish the native tenants had seized considerable portions of this church property. The friars urged that the United States restore their lands, while the tenants showed a disposition to make further seizures. The matter was finally solved by Taft going to Rome and negotiating an agreement with the friars through the Pope. The friars sold their lands consisting of about 400,000 acres to the United States for \$7,000,000; and the United States sold the lands to the Filipino farmers on easy terms.

d. RELATIONS WITH CUBA

*Conditions
in Cuba
make Amer-
ican mili-
tary occu-
pation of
the island
a necessity*

When the Spanish surrendered Cuba in July, 1898, social, economic, and physical conditions in the island were desperate. Many of the sugar plantations were in ruins from the ravages of war, or were in a condition of abandonment, and the remainder were in a low state of cultivation. The laborers and farmers were frequently homeless and without employment. The cities and towns were filthy and the people near starvation. Malaria, typhoid, yellow fever, and dysentery ravaged the centers of population. There was scarcely a vestige of effective local government, and rival and impotent factions were falling upon each other from ambush in an effort to obtain control of the national government.

Although the American cry of "Cuba libre" had been the slogan

in 1897-98, it was obvious to the most inveterate believer in the principle of self-government that the American flag, which was hoisted in Havana in place of the Spanish on January 1, 1899, would continue for some years to proclaim American control. Cuba was scarcely better prepared to conduct a national government than were the Filipinos. The island must be cleaned up, the hungry and ragged fed and clothed, the thousands of displaced persons settled in their homes, and the guerrilla factions quieted. Since the United States was pledged by the Teller Amendment (attached to the first congressional war resolutions of April 19, 1898) not to annex Cuba as a colony (p. 329), and since Cuba was not prepared to govern itself, control of Cuba was exercised through the general commanding the army of occupation. This function was performed by General John R. Brooke until late in 1899, when he was succeeded by General Leonard Wood.

General Wood, himself a doctor, had been in command at Santiago where he had interested himself in sanitation and in the efforts at discovering the cause of yellow fever. When Wood became military governor of Cuba and made his headquarters at Havana, he set out to clean up the entire island. At Havana in charge of public health was Major William C. Gorgas—son of General Josiah Gorgas, the former Confederate munitions chieftain—who, with the zealous co-operation of General Wood, practically gave the city of Havana “a bath” in an effort to exterminate yellow fever. It was in vain, for in 1900, despite the sanitary precautions, one of the worst yellow-fever epidemics in history swept the city. Surgeon General Miller Sternberg came to the aid of Wood and Gorgas by sending a commission, headed by Major Walter Reed, to make a scientific investigation of the causes of yellow fever. It had already been known for several years that the anopheles mosquito was a carrier of malaria; and Doctor Carlos Finley, Cuban-born Scot, had come to the conclusion, which he had not been able to prove, that yellow fever was likewise transmitted by a mosquito bite. With the knowledge of the cause of malaria and Dr. Finley’s theories as a basis on which to work, Reed, Gorgas, and their colleagues carried on numerous experiments resulting in the discovery that the stegomyia mosquito transmitted the yellow-fever germ. Two of the commission died as a result of being infected by the germ during the experiment—Dr. Jesse W. Lazear and Dr. James Carroll. By 1901 Havana was clear of the scourge, and it was being brought under control all over the island.

*Yellow
fever
found to
be trans-
mitted by
mosquito;
the dis-
ease
brought
under
control*

The restoration of Cuba’s economic life depended upon the open-

Economic conditions in Cuba improved by the reduction of the United States tariff on Cuban products

A constitutional government established in Cuba

The Platt Amendment

ing of American markets to Cuban products, primarily sugar and tobacco. The American Beet Sugar Association and the Louisiana cane planters protested that the American sugar-beet growers and the Louisiana cane growers would be ruined by lowering the tariff on Cuban sugar. On the other hand, the powerful American Sugar Refining Company—the “Sugar Trust”—whose business was the refining of raw sugar, favored the reduction of the tariff. In 1903, after Cuba had established its own government, a reciprocity treaty was finally ratified, which reduced the duty on Cuban products entering the United States twenty per cent and on American products entering Cuba from twenty-five to forty per cent.

No doubt there were many imperialists in McKinley's party who would have liked to hold Cuba as a colony; but the pledge of the Teller Amendment not to annex Cuba, and the bitter attack of the Democrats and some Republicans against the imperialistic policy of the McKinley Administration, made it necessary to give evidence—and quickly too—that Cuba would be freed. Hence, during the Presidential campaign of 1900, McKinley instructed General Wood to hold municipal elections in Cuba and to call a constitutional convention to form a national government for the island. Since the great majority of the Cubans were illiterate and without political experience, only those male citizens were permitted to vote who could read and write, or who owned property valued at not less than two hundred and fifty dollars, or who had been in the Cuban army of liberation. The convention assembled in November and within a few months adopted a constitution resembling that of the United States.

Despite General Wood's earnest insistence, however, the convention made no provision for any continuation of the tutelage of the United States. Secretary of War Root had General Wood inform the convention that such provisions must be incorporated in the constitution before American control would be relinquished. In essence the Cubans were informed that Cuba would not be completely free, but would be a quasi-protectorate. To back up the executive position in Cuba, Congress passed the Platt Amendment—a measure formulated by Secretary of War Root and introduced by Senator Orville H. Platt—which defined precisely the relationship between Cuba and the United States. The measure became law on March 2, 1901, but it was not until June 12 that the reluctant and disappointed Cuban convention could be induced to make the Platt Amendment part of the constitution. Even then it was added as an appendix and not incorporated. Later, in 1903, when the Cuban government became operative, the Platt Amend

ment was embodied in a treaty between the United States and Cuba; and when American troops were withdrawn it was the treaty and not the statutory measure that gave the United States certain supervisory powers over Cuba. The principle embodied in the Platt Amendment was the foundation of the Caribbean policy so vigorously pursued by Theodore Roosevelt and his immediate successors. It was, as observed, formulated by Elihu Root, with the approval of McKinley and the full approbation of Roosevelt who had not at the time assumed the office of Vice-President. Its purpose was twofold: first, to prevent a foreign power from gaining a foothold in Cuba; and second, to put an end to the chronic state of lawlessness and insurrection in Cuba. Its chief provisions were:

1. Cuba should never enter into any treaty or agreement with a foreign power that impaired or tended to impair its independence.
2. The Cuban government should contract no debt beyond the capacity of the ordinary revenues to pay. [This foreshadowed the Roosevelt policy of intervention in the debt-ridden states of the Caribbean to prevent European intervention.]
3. The United States was empowered to intervene to preserve Cuban independence and to maintain a government that could preserve order.
4. Cuba was to sell or lease to the United States sites for necessary coaling stations and naval bases.

On May 20, 1902, Roosevelt, to the regret of some American die-hard imperialists and to the astonishment of the European nations, withdrew control over Cuba and turned the affairs of the island over to the Cubans. After four years of fairly peaceful rule under the Conservatives, the Liberals, many of whom were still disfranchized under the literary or property test, decided to hold an election with firearms and machete. Unable to cope with the situation, the President of Cuba invoked the intervention of the United States under the Platt Amendment; and soon after the United States troops arrived, he resigned and gladly turned the island over to the control of Howard Taft—now American Secretary of War. Taft was succeeded in Cuba by Governor Charles E. Magoon who, with the support of the army, preserved peace until a President was peacefully elected in 1909. Once again the American troops were withdrawn and the empires of the world were surprised. Several times since there have been brief periods of American intervention; but always the United States has withdrawn its armed forces. Finally in 1934 the treaty embodying the Platt Amendment was abrogated by mutual consent, and although Cuba has become economically more

*Cuba, a
quasi-pro-
tectorate
under the
Platt
Amendment*

and more dependent upon the United States, it has become politically an independent and peaceful country. The United States has, however, maintained a naval base on the island to safeguard its interests in the Caribbean. The greatest of these was to be the Panama Canal.

CHAPTER XIX

The United States as a World Power

A NEW CARIBBEAN POLICY

a. THE PANAMA CANAL

THE idea of a canal across the Isthmus of Panama was coeval with the colonization of the Western Hemisphere; but it was not until after the settlement of the Oregon boundary dispute in 1846 and the acquisition of California in 1848 with the discovery of gold in the same year, that the United States displayed any practical interest in constructing a canal. In 1848 the Senate ratified a treaty with New Granada (Colombia), which had been drawn up soon after the outbreak of the war with Mexico, and which granted the United States transit rights across the Isthmus of Panama. The United States in return agreed to guarantee the neutrality of the route and the sovereignty of New Granada over the Isthmus. At about the same time the United States entered into negotiations with Nicaragua for a canal right of way across that country, only to have the British in 1848 seize the eastern terminus of the proposed route at Greytown on the ground that the Mosquito Indians on the east coast of Nicaragua were under British protection. A controversy with Great Britain ensued, which was brought to an end by the Clayton-Bulwer Treaty ratified in 1850. This treaty without doubt ended further British acquisition of Central American territory and thereby strengthened the Monroe Doctrine. But in return for this concession the United States agreed with Great Britain that neither country would ever fortify or exercise exclusive control over any Isthmian canal.

After the Civil War, with the growth of population on the Pacific coast and the development of the Oriental trade, opinion in the United States came more and more to favor the construction of a canal under the exclusive control of the United States government. But the long voyage of the battleship *Oregon* from California around South America to Santiago dramatized the necessity of linking the oceans by canal, thus making it feasible to concentrate naval power rapidly in either ocean; and the acquisition of Porto Rico in the Caribbean and the Philippines and Hawaii in the Pacific made such

Efforts of the United States to gain control of a canal right of way, blocked by Clayton-Bulwer Treaty

A canal under control of the United States necessary

a canal imperative, particularly in view of the unfriendly attitude of both Germany and Japan.

The Hay-Pauncefote Treaty concedes American demands

When, therefore, Secretary of State Hay approached the British Ambassador, Sir Julian Pauncefote, on the question of modifying the terms of the Clayton-Bulwer Treaty so as to enable the United States to build and control an inter-oceanic canal, the British, desiring further to cultivate American friendship, were quite willing to make the concession. Accordingly, in February, 1900, Hay and Pauncefote agreed to a treaty which provided that the United States could build and exercise exclusive control of an Isthmian canal but could not fortify it. The American Senate, however, strongly objected to the prohibition against fortifying the canal, and amended the treaty so as to provide this right. The result was that the British government rejected the treaty (March, 1901). But the displeasure aroused in the United States at the British refusal to accept the amended treaty, and the growing sentiment in Congress in favor of repudiating the Clayton-Bulwer Treaty, alarmed the British. Furthermore, the expensive Boer War was still being waged, and Britain's relations with Germany and Russia were deteriorating. These conditions created a strong desire on the part of the British to cultivate American good will. The outcome was that Britain virtually wrote the United States a "blank check" in the matter of the Isthmian canal: the second Hay-Pauncefote Treaty abrogated the Clayton-Bulwer Treaty and permitted the United States to build and operate the canal and, by implication, to fortify it.¹

The Panama route is chosen rather than that across Nicaragua; reasons

Two months before the Hay-Pauncefote Treaty was signed, Theodore Roosevelt had succeeded to the Presidency. This meant action, whether good or bad, on all fronts. The canal business promptly engaged the new President's attention. It was not only a big thing in itself, but it held great political possibilities for the elec-

¹ During the time that the Hay-Pauncefote Treaties were being negotiated, an Anglo-American joint commission was attempting to settle the boundary dispute between Canada and the United States. No one had been interested in this boundary before the discovery of gold in the Klondike, when it became necessary for those going to this region to cross American territory. The old Anglo-Russian Treaty of 1825 that fixed the boundary provided that in the Alaskan Panhandle it should run along the crest of the mountains that skirted the coast, but that it should never be more than ten leagues from the shore line. The Canadians claimed that the shore line followed the outer edges of the promontories rather than the heads of the bays and inlets. Such a line would have given Canada virtual control of the chief harbors of the Alaskan Panhandle. The commissioners could not agree. In 1903, however, Great Britain and the United States agreed to arbitrate. This time Great Britain loaded the commission in favor of the United States by appointing as one of the three British and Canadian representatives, Lord Alverstone, Chief Justice of Great Britain. Lord Alverstone was the only member of the commission whose mind had not already been made up, and he became the arbiter. Since the Canadian claims were hardly reasonable, his decision was against them although not completely in harmony with the most extreme American claims. Doubtless his decision was prompted to some extent to promote further Anglo-American friendship.

tion of 1904 when Roosevelt would seek to become President in his own right. With the Clayton-Bulwer Treaty at last relegated to the scrap heap, the choice of routes was the next matter to be settled. For a long time two routes had been under discussion and some work had been begun on each. In 1883 Ferdinand de Lesseps, the builder of the Suez Canal and the head of a powerful French company under a charter from Colombia, began excavation on a Panama canal. By 1889, after wastefully expending nearly \$300,000,000, the company was bankrupt. Reorganized under the name of the New Panama Canal Company, the French group now decided that it would be more profitable to expend its money in an effort to dig the United States rather than continue to waste money trying to dig a canal. Their top lobbyist was the shrewd Frenchman, Philippe Bunau-Varilla, who was advised by the equally shrewd American lawyer, William N. Cromwell.

The Maritime Canal Company of Nicaragua, an American concern, also bankrupt, had done some work on the harbor at the terminus of a proposed canal through Nicaragua; but, while there were many partisans of the Nicaraguan company, it had no large funds with which to win and hold friends. Still, when the Walker commission (appointed by McKinley to study the relative merits of the two routes) reported, they recommended the Nicaraguan route because construction would cost less. This was due to the fact that the New Panama Canal Company was asking \$109,000,000 for its worthless equipment, its puny excavations, and its charter from Colombia that would expire in 1904—all of which the Walker commission valued at not more than \$40,000,000.

The French company, fearful of being passed over, now offered to sell for the sum named by the Walker commission. This made the estimate of the cost of a Panama canal \$35,000,000 less than that of a Nicaraguan canal. Roosevelt, who had been favorable to the Nicaraguan route, now persuaded the commission to reverse its position and recommend the Panama route. A few days before this change of mind on the part of the commission, the House of Representatives had voted in favor of the Nicaraguan canal 308 to 2. When the Senate took up the matter, both the commission's report and Roosevelt's recommendation in favor of the Panama route would have been decisive, but the eruption of the Nicaraguan volcano, Mount Monotombo, and the distribution among the Senators of Nicaraguan postage stamps by Bunau-Varilla showing this eruption, must have added to the strong sentiment in favor of Panama. At any rate the Senate amended the House bill which had favored Nicaragua, and authorized the building of a Panama canal. The House

concurred in the new measure which became a law on June 28, 1902. While authorizing the President to secure a right of way across the Isthmus of Panama, the Nicaragua route was not ruled out. The law stated that, unless the President could obtain the Panama right of way "within a reasonable time and upon reasonable terms," he was to purchase a canal route from Nicaragua.

The Hay-Herrán Treaty; its rejection by Colombia

With the threat embodied in the above bill to turn to Nicaragua should Panama delay action or demand an unreasonable price for the canal zone, Secretary Hay was able to drive a hard bargain with the Colombian *Chargé d'affaires* Tomás Herrán. In the Hay-Herrán Treaty, which Herrán on January 22, 1903, signed most reluctantly, the United States was granted a ninety-nine year lease for a canal zone six miles wide between Colón and Panama but not including these cities. For this right of way the United States was to pay \$10,000,000 cash and an annual rent of \$250,000. In addition to this Colombia was barred from attempting to obtain from the New Panama Canal Company any of the \$40,000,000 which the United States was to pay it.

Without doubt the cause of Herrán's hesitation in signing the treaty was this stipulation that Colombia could not obtain a share of the money to be paid to the French company. At any rate, the Colombian Senate rejected the treaty on August 12, 1903, by a large majority. The Colombians objected to the treaty because it granted to the United States sovereign rights over Colombian territory, and because the sum of money to be received for such valuable property was so petty. The Colombian government could have been induced to waive its objection to granting the United States sovereign rights over the canal; but it would not sell for \$10,000,000. Still, it did indicate a willingness to accept \$25,000,000 as a reasonable payment for the canal zone. Hay and Roosevelt, however, would not bargain further. If, on the other hand, the United States would not pay the price that Colombia asked—and after all it was Colombia's property and that country had the right to name the price, or not to sell at all—the Congress and the dictator-President, Maroquin, had in mind an alternative plan by which they could obtain far more than \$25,000,000: by waiting until the charter of the New Panama Canal Company expired in September, 1904, Colombia would be entitled to the \$40,000,000 which the United States had agreed to pay that company.

Roosevelt's reaction to Colombia's rejection of the treaty

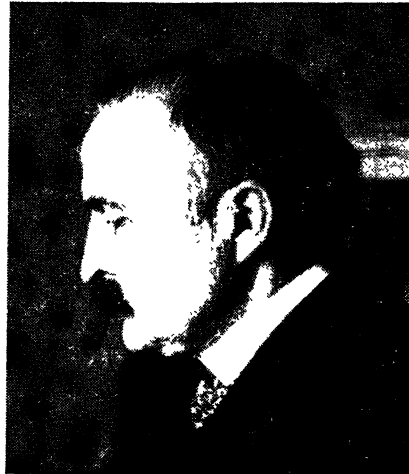
Colombia's rejection of the treaty and the obvious plan of that country to await the expiration of the company's charter threw Roosevelt into a rage. The Colombians were frustrating his plans to acquire the canal zone before the opening of the election year of

1904, and he applied such choice epithets to them as had not been heard in the United States since Andrew Jackson's day. They were a "pithecoïd community," "contemptible little creatures," "Jack rabbits," "foolish and homicidal corruptionists," "blackmailers of Bogotá" who must not be permitted "to bar one of the future highways of civilization." The President talked among his friends, who



Courtesy of Brown Brothers

MANUEL AMADOR.



Courtesy of Brown Brothers

M. PHILLIPE BUNAU-VARILLA.

talked among theirs, that he had a mind to seize the canal strip by force. He actually prepared a message to Congress advocating seizure. But the most potent utterance was that he wished Panama would revolt so that he could deal with it instead of Colombia. The press of the country shared Roosevelt's displeasure and made use of some of his choice name-calling. Some influential papers advocated seizure. There can be no doubt that the clever agent of the New Panama Canal Company, Bunau-Varilla, and his chief aide, Cromwell, stirred the anger of both the President and the press and that they listened knowingly to Roosevelt's menacing language, to his suggestion that a revolt would be desirable, and to the threat of seizure.

As it turned out, it was not necessary for the United States to seize the Panama canal zone. The revolution in Panama, which Roosevelt preferred to outright seizure, gave the United States what it wanted. This revolution was the product of three groups: a Panamanian group headed by Dr. Manuel Amador, an employee of the Panama railroad that belonged to Bunau-Varilla's company; the New Panama Canal Company represented by Bunau-Varilla and

*A revolution
is staged
in Panama*

Cromwell; and President Roosevelt, Hay, Root, F. B. Loomis, and others close to the Administration. The rejection of the Hay-Herrán Treaty, from which the people of Panama had anticipated great benefits, caused bitter resentment against Colombia, whose dictator had already aroused great discontent by his studied disregard of the constitutional rights of Panama. That state, which had joined Colombia voluntarily, had staged an estimated fifty-three uprisings against Colombia in as many years; and a group led by Dr. Amador began in 1903 to prepare for another revolution, which, this time with the blessings of the United States government, would end in Panamanian independence and the consequent right to reap the benefits of the sale of the canal zone. Amador's little group of revolutionists in Panama City could not by themselves overthrow the authority of Colombia nor could they finance a revolt. Money and men were needed, and Bunau-Varilla, who was heartily co-operating with Amador, readily supplied the cash, either from the funds of the New Panama Canal Company or from a loan made to Bunau-Varilla by J. P. Morgan.¹ With the funds thus obtained Amador bribed 500 Colombian troops at Panama City to take sides with the revolutionists, and hired several hundred members of the local fire department to join the patriot army.

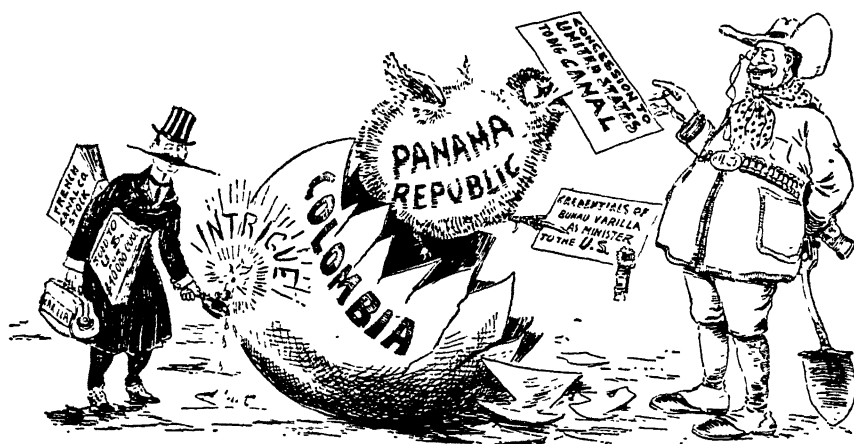
Roosevelt intervenes in Panama's behalf; the recognition of Panama's independence

But Colombia had an army of 10,000, which, if permitted to land at Panama on the west coast or Colón on the east, could easily put down the Panamanian revolt. At this juncture Roosevelt with his like-minded colleagues, Hay, Root, and Loomis, played the decisive role in the revolution. As already observed, Roosevelt, well informed on conditions in Panama, had expressed the wish that that state would revolt against Colombia. Bunau-Varilla, of course, was well aware of Roosevelt's attitude; and he conferred with the President and Cabinet on numerous occasions for double assurance. Roosevelt did not give Bunau-Varilla any definite assurances, but his attitude and intentions would have been obvious to a less astute man than the clever Frenchman. The President, without saying so, made it plain that he would send warships to both Colón and Panama City to prevent Colombian troops from landing.

Most ironically, he would do this under the alleged authority of the treaty signed in 1848, in which the United States guaranteed the sovereignty of New Granada (Colombia) over the Isthmus and was bound to maintain the neutrality of the Isthmus to protect "free transit" across it. The purpose of both the United States and New

¹ See Thomas A. Bailey, *A Diplomatic History of the American People* (F. S. Crofts, New York, 1940), 540, note 19, who cites Francis B. Loomis, Roosevelt's Assistant Secretary of State, as authority for the information about the loan.

Granada in 1846-48, when the treaty was negotiated and ratified, had been, of course, to prevent Great Britain, who was already rapidly gaining a foothold in Central America, from seizing Panama. Roosevelt would now use the treaty not to protect Colombia's sovereignty in Panama, but to prevent her from exercising this sovereignty.



From the Times (New York)

THE MAN BEHIND THE EGG.

Bunau-Varilla cabled the Panamanian revolutionists that the U.S.S. *Nashville* would be at Colón on November 2, 1903, and that other United States warships would be sent to Panama City for the purpose of preventing the landing of Colombian troops at either end of the Panama railroad. The *Nashville* arrived on scheduled time and on the succeeding day (November 3) the Panamanian "army" raised the standard of revolt. The American warships according to orders prevented Colombia from landing troops to quell the uprising; and on November 4 the Panamanian leaders organized a government and issued a declaration of independence. On November 6, in less than an hour after receiving official word that the revolution had taken place, the President authorized Secretary of State Hay to extend recognition to Panama. On the same day Bunau-Varilla, according to prior arrangements with Dr. Amador, became minister of Panama at Washington.

The chief business for which the revolution had been undertaken was now quickly settled. On November 18, fifteen days after the revolution, Bunau-Varilla and Hay signed a treaty which granted to the United States a canal right of way ten miles wide for the

Panama grants the canal zone to the United States in perpetuity

price of \$10,000,000 cash and an annual payment of \$250,000 to begin after a period of nine years. The United States was given the sovereign right to fortify and to govern the canal zone.

*Reaction to
Roosevelt's
power politics*

The reaction to Roosevelt's power politics was unfavorable at home among the Democrats and Liberal Republicans. It was "piracy" even more flagrant than that of the "buccaneers who sailed the Spanish main." Liberal Englishmen, whose government had just despoiled the Boers of their country, were shocked that the United States should conduct itself in a similar fashion. Of course Colombia was outraged; and all Latin America was deeply resentful and uneasy at what was, in essence if not in form, Roosevelt's seizure from Colombia of the canal strip.

*Efforts to
appease
Colombia*

Colombia proposed several times that her differences with the United States be submitted to an arbitration commission; but Roosevelt would not take the certain risk of having such a commission convict him of wrongdoing and fix a heavy indemnity charge against the United States. During the Taft Administration efforts were made at appeasing the Colombians. For example Colombia was asked whether or not it would accept \$10,000,000 for a coaling station and another canal route in the hope of making amends without making apologies. Colombia, however, was bent upon having the action of the United States condemned, and upon having both compensation and an apology. When, therefore, it was suggested that the United States might pay \$25,000,000 for the coaling station and the canal, Colombia refused and again insisted upon having the matter arbitrated. But when the Democrats came into power in 1913 the old anti-imperialist, Secretary of State Bryan, found no little satisfaction in drawing up a treaty that offered Colombia both indemnity and apology for the wrongs done that country by the imperialistic Theodore Roosevelt. In the treaty (signed in 1914) the United States expressed its "sincere regrets" for its conduct in the Colombia-Panama embroglio, and agreed to pay \$25,000,000 compensation for the damage done to Colombia. But Theodore Roosevelt's good friends in the Senate, led by Henry Cabot Lodge, prevented the treaty from being ratified.

*Colombian
oil and
the final
settlement*

In 1921, however, when Roosevelt was dead, the Senate, still under the influence of Lodge, framed a treaty so as to omit the direct apology, but which retained the \$25,000,000 compensation to Colombia. Lodge insisted with a grave countenance that Roosevelt would approve the treaty were he alive. But this could not have been true. Roosevelt had always bitterly resented every move toward conciliating Colombia because it implied a criticism of his inter-

vention in the Panamanian revolt. During the debate on the Colombian Treaty of 1914, for example, he had protested angrily to his friends that "the payment [of \$25,000,000 to Colombia] can only be justified on the ground that this nation has played the part of a thief, or a receiver of stolen goods."

The secret of the change in the Republican point of view was the discovery in Colombia of vast oil reserves. Because of the hostile attitude in Colombia toward the United States and toward Americans, the great oil interests that dominated and were soon to wreck the Harding Administration were unable to obtain the same favors and concessions as their European rivals. In the face, then, of such intransigent defenders of the Roosevelt policy as Hiram Johnson of California, the Republicans joined with the Democrats in piling up a vote of 69 to 19 in favor of the treaty. The Colombians received their \$25,000,000 and the implied apology that went with it after eighteen years of melancholy reflection upon the injustice which the strong, while laying claims to the practices of virtue and even-handed justice, impose so often upon the weak. Although this action salved wounded feelings and allayed somewhat the widespread suspicion of the good intentions of the United States toward Latin America, the \$25,000,000 payment was not regarded as the payment of conscience money, but as payment for an American pipe line to the vast oil fields of Colombia.

After the ratification of the Panama Treaty, Congress created (May 9, 1904) the Isthmian Canal Commission with authority to construct the canal and govern the Panama Canal Zone. Despite Roosevelt's impatience to see the dirt fly, it was not until 1907 that the work of excavation began. The members of the commission, with no real head, could not agree on details. Finally in 1907 Roosevelt appointed Major George W. Goethals, an army engineer, to the commission on an understanding with the other members that in case of differences of opinion Goethals' decision would be final. This arrangement, although a violation of the law creating the commission, was the only practical solution of the difficulty. Roosevelt's instructions to Goethals were said to have been "Damn the law. I want the canal built." Goethals as governor of the Panama Canal Zone and chief engineer began at once to construct a lock canal. It was estimated that it would take ten years to construct a lock canal and fifteen to dig one at sea level. Actually it took only about seven years, for the first ocean-going vessel was able to pass through the canal on August 15, 1914. The estimated cost had been \$200,000,000, but it finally amounted to more than \$375,000,000.

The construction of the canal

*Courtesy of Brown Brothers*

WILLIAM CRAWFORD GORGAS.

The English diplomat and writer, Lord James Bryce, on viewing the canal, considered it the greatest engineering feat in history: "Never before on our planet has so much labor, so much scientific knowledge, and so much executive skill been concentrated on a work designed to bring the nations nearer to one another and serve the interest of all mankind." Malaria, yellow fever, and other tropical diseases had probably contributed more to the failure of de Lesseps than all other causes; but under the administration of Colonel W. C. Gorgas, who had had experience in cleaning up Cuba, these diseases were almost eliminated. He and his medical staff, said Lord

Bryce "made one of the pest houses of the world . . . as healthy as Boston or London," "an achievement of which the American medical staff and their country for them, may well be proud."

b. THE UNITED STATES AND EUROPEAN INTERVENTION IN VENEZUELA

The annexation of Porto Rico, the establishment of a temporary protectorate over Cuba, and the acquisition of the Panama Canal Zone were imperialistic acts; but they were chiefly in the interest of national security. They were accelerated steps in a new Caribbean policy which had shown real vitality when Grover Cleveland intervened in the Venezuelan boundary dispute, and which was developed fully under Theodore Roosevelt. The essence of the policy was intervention—intervention in disputes between European powers and a Caribbean state or in the domestic brawls of the latter, all to prevent the lodgment of European powers near the canal or too near the coast of the United States.

The first occasion for American intervention was in the dispute between Venezuela on the one hand and Great Britain, Germany, and several other European powers on the other. The Venezuelan government under the control of the dictator, Capriano Castro, had borrowed money right and left in Europe and in the United States; but Castro made no effort to pay the debts. On the contrary he

Intervention the essence of the new Caribbean policy

Great Britain and Germany decide to collect their Venezuelan debts by force

showed a disposition to repudiate them. Certainly he ignored or treated with indifference the efforts of Germany and Great Britain to collect the debts owed their subjects. Had such a situation arisen before the Venezuelan boundary dispute in which Cleveland had invoked the Monroe Doctrine so belligerently, the European powers would have sent their warships and marines to collect the defaulted debts. That episode, however, had served to convince the world that the United States might regard the use of force against a Latin American power in the neighborhood of the proposed canal as a violation of the Monroe Doctrine. Hence in 1901 Germany proposed that her claims against the Venezuelan government be submitted to arbitration by The Hague Tribunal; but Castro showed no interest in such a proposal. Nor did he seem at all impressed by the plain-spoken notes from the British Foreign Office.

Great Britain then proposed that Germany act jointly with her in collecting the debts by force. Before such action was undertaken, however, both European powers were careful to find out whether the United States objected, and to assure the American government that they had no intention of acquiring or occupying permanently Venezuelan territory. In turn both Roosevelt and John Hay assured the German and British ambassadors that the United States did not by the Monroe Doctrine propose to protect any Latin American nation from being duly punished for its misdeeds, as long as such punishment did not take the form of the annexation of territory.

Great Britain and Germany supported by Italy established a blockade of Venezuelan ports in December, 1902. Several of Castro's gunboats were captured and two were sunk. The inflated dictator had probably expected the United States to step in to protect him from the European powers; but when this protection failed to materialize, Castro let it be known that he was willing to submit the dispute over the debts to arbitration. The United States transmitted Castro's proposal, and England and Germany soon agreed to submit part of the claims to arbitration. The blockade was continued, however, until Venezuela signed the protocol in February, 1903.

While waiting for Castro to sign the protocol, the Germans fired at Fort San Carlos and wrecked the neighboring village. American public opinion was greatly aroused by this vindictive act, and it was probably at this time (January, 1903) that Roosevelt threatened to send in the entire American fleet—which was waiting orders in the nearby West Indies—to clean up the whole mess unless Germany withdrew her warships. Roosevelt in 1916 stated that he had compelled the Germans to agree to arbitration by thus threatening

The blockade of Venezuela and the agreement to arbitrate

German violence and Roosevelt's alleged threats

them. But neither the diplomatic records of Germany and the United States nor the private correspondence of the time yield any evidence that Roosevelt compelled arbitration by threats. Doubtless threats were made after Germany had agreed to arbitrate, in order to hasten the withdrawal of her navy from Venezuelan waters, for Roosevelt and the American people suspected strongly at the time that Germany was planning to seize and fortify a Venezuelan port. At any rate the German squadron and all other blockading vessels were promptly withdrawn, and the impression everywhere was that the United States had sped their departure.

C. INTERVENTION TO PREVENT INTERVENTION

The Roosevelt corollary of the Monroe Doctrine

Whether or not Roosevelt had used his "big stick" on Germany in order to get her out of Venezuelan waters does not matter; but the lesson that the President derived from the Venezuelan case was of great significance. This was that, by becoming so heavily encumbered with debts to European powers or by injuring the person or property of European nationals, the weak, unstable, and debt-burdened Caribbean nations were in constant danger of European intervention which might easily develop into permanent control. Such reasoning soon resulted in the formulation of the Roosevelt corollary of the Monroe Doctrine, which was that, in order to prevent European nations from intervening in Latin America to collect debts and protect their subjects, the United States must intervene to do these things. This was the application of the principle of the Platt Amendment to the other Latin American republics of the Caribbean. Roosevelt had stated the principle of the corollary before, but his message to Congress on December 6, 1904, was his first official pronouncement.

Chronic wrong-doing [said the President], or an impotence which results in a general loosening of ties of civilized society may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however, reluctantly, in flagrant cases of such wrong-doing or impotence, to the exercise of an international police power.

The Roosevelt corollary applied to San Domingo

When this official pronouncement was made that the United States must intervene to preserve order and collect debts to prevent European intervention, disorder was rife throughout much of the Caribbean. San Domingo at the moment was in a worse condition than Venezuela had been when Germany, England, and Italy had

instituted the blockade of her ports in 1902. Assassination, rioting, and insurrection rendered life and property insecure, and dishonest and inefficient government squandered the revenue, and constantly increased the national debt owed European and American creditors. There were rumors of European intervention; but Roosevelt was determined that this should never again take place in the Caribbean. Henceforth the United States would police this region itself.



From the Herald (New York)

THE BIG STICK IN THE CARIBBEAN SEA.

The President, through the State Department, suggested that the Dominican government give the United States control of its customs in order that the public revenue might be collected efficiently and applied to the national debt. The presence of American warships off the coast of San Domingo "persuaded" the Dominican government to accept the Roosevelt proposal of a customs' receivership. A treaty was immediately drawn up (1905) that made formal the "agreement." The customs were to be collected and disbursed by an official whom the President of the United States designated. The Dominican government was to be given forty-five per cent of the customs receipts, and fifty-five per cent was to be applied to the

payment of the national debt. The United States Senate, taken back by the Roosevelt extension of the Monroe Doctrine which seemed to amount to annexation of San Domingo, rejected the treaty. But the President promptly made an executive agreement with the Dominican government, which embodied the provisions of the treaty, and American officials proceeded with the business of collecting the revenue and paying off the foreign debts. At the same time European creditors were induced to scale their debts from about thirty million to seventeen million dollars. In 1907 the Senate approved a treaty which was the old treaty with slight modification. With public finances put in good order the Island Republic experienced a few years of relative quiet. As will be seen, later Presidents applied the Roosevelt corollary to the Caribbean region more drastically than its originator. Within the next twenty-odd years Haiti, Nicaragua, and Honduras were to become very familiar with the uniforms of the American marines and naval officers.

THE UNITED STATES AND THE OPEN-DOOR POLICY IN CHINA

*The integrity
of China
threatened
by the great
powers*

When the United States annexed the Philippine Islands it had unintentionally abandoned its position of isolation, and had become an Asiatic power just at the moment when East Asia was the focal point of world politics. After China had revealed her impotence in the Chino-Japanese War of 1894-95, Great Britain, France, Germany, Russia, and Japan, particularly the latter two, moved in, intent upon carving up the old empire. England, of course, had possessed the great port of Hong Kong since 1842 and had recently gained concessions in the Shantung Peninsula; Russia virtually dominated Northern Manchuria and had gained control of Port Arthur under coercion; Germany had compelled China to grant her a ninety-nine year lease on the port of Kiao-Chau, and a dominant position on the Shantung Peninsula; France held Kwangchau Bay; and Japan after her defeat of China had seized Korea. Besides these ports and territories which the great powers had virtually annexed, much of north, east, and south China had been divided into "spheres of influence," where the despoilers enjoyed special concessions. Thus thirteen of China's eighteen provinces, which included the chief harbors, waterways, and mineral resources, were within the spheres of influence of foreign powers.

*British and
American
interests
injured by
this division
of China*

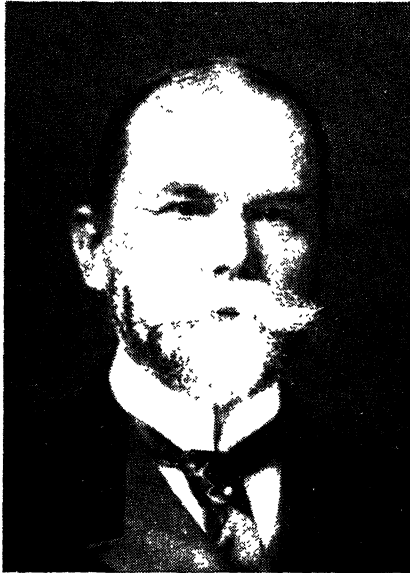
The American government, whose mercantile interests had long enjoyed a prosperous trade with China on terms of equality with the merchants of other nations, was alarmed over this division of the country. It rightly feared that American commerce and investments would either be discriminated against or excluded by tariffs,

harbor dues, transportation rates, and other restrictions. The British, however, who held only fractional concessions as at Hong Kong and in Shantung, but whose trade and investments were greater than those of the other powers, were more deeply concerned over the division of China than was the United States. In the early spring of 1898 the British ambassador, Sir Julian Pauncefote, suggested to Secretary of State Sherman that the United States and Great Britain act jointly to maintain the principle of equal commercial rights in China for all nations. The United States Secretary of State rejected this and a similar offer in January, 1899, on the ground that it was a violation of American policy of non-entangling alliances.

The mercantile and the missionary interests of the United States, aided by several English propagandists, put so much pressure on the State Department that it decided to act alone, but with the moral support of England. Accordingly, on September 6, 1899, Secretary of State John Hay sent identical notes to Great Britain, Germany, France, Russia, Japan, and Italy asking them to accept the principle of the open door in China or equal commercial opportunities for all. In these notes Hay asked for an agreement by each power on the following points:

1. That within its sphere of influence it would not interfere with any treaty port—that is any port opened by treaty to all on terms of equality—and would respect the vested interests of other powers.
2. That the Chinese treaty tariff should be equally applicable to the goods of all nations brought into such spheres of influences, and that the duties were to be collected by the Chinese customs officials.
3. That within its own sphere it would not discriminate in favor of its own citizens in the matter of harbor charges and railroad rates.

The British, of course, gave a satisfactory reply; but each of the



Courtesy of Brown Brothers

JOHN HAY.

The United States, backed by Britain, champions the open-door policy

other powers—except Russia who gave an equivocal answer—, while agreeing with the principle of the open door, stated that its acceptance of this policy was dependent upon similar action by the other interested powers. Hay then, with considerable guile, informed the powers on March 20, 1900 that all of them had agreed with his proposal, and their assent would be considered “final and definitive.” Japan protested against such a conclusion being drawn from its reply, while Russia remained quiet and continued to tighten its grip on Manchuria.

*The Boxer
revolt*

The Chinese had looked on in impotent rage at the despoiling of their country during the closing years of the nineteenth century; but in the spring of 1900 a fanatical group of Chinese patriots called Boxers undertook by force of arms to purge the country of all foreigners. Led by Prince Tuan, who gained control of the Foreign Office, large numbers of Chinese troops joined the Boxers in a war to drive out the “foreign devils.” By early June, 1900, the Boxers held the country between Peking, the capital, and the sea, and were laying siege to the capital itself with the purpose of murdering all the whites including the members of the foreign legations. The German ambassador, Baron Von Ketteler, who attempted to deliver a protest to the Chinese government, was killed on the streets by a Chinese soldier. All the foreigners now assembled at the British Embassy, where they erected fortifications and stood siege for nearly two months. The Chinese government was both unable and unwilling to protect even the diplomatic officers of foreign governments. But the great powers had agreed, as soon as it was learned that Peking was being besieged, to rescue their ministers and nationals. A joint expedition of 20,000 troops—including 2500 American soldiers—entered Peking on August 14 after many foreigners had been killed or wounded, and when all were near starvation.

The Boxer revolt could have easily resulted in the final partition of China. There was widespread anger against the Boxers and against the government which had seemingly encouraged them; but John Hay, supported again by the British, seems to have exercised a decisive influence in preventing this. On July 3, 1900, he sent a circular note to the interested powers stating that the United States desired to seek a solution of the present situation, which would “preserve Chinese territorial and administrative” integrity and “safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire.” England and Germany supported Hay and the other powers were noncommittal or evasive. The United States had taken a long step forward since Hay’s note of September 6, 1899, which insisted on commercial equality—the

open door—for all nations within all spheres of influence established by foreign powers, for it now stood also for the territorial integrity of China. It was a principle in which the people of the United States came to believe, but for which they were not willing to go to war, or ally themselves with another power—Great Britain—to uphold. After this China continued to be the prey of Russia and Japan in alternate sequences; but as time passed the United States stood out more and more strongly for the territorial integrity of China, until in 1941 the war between the United States and Japan was brought about chiefly because of the attempt of the latter nation to annex China.

The great powers exacted an indemnity of \$333,000,000 from China, about \$25,000,000 of which was awarded to the United States. In 1908 the United States scaled this debt down about \$12,000,000 and in 1924 it canceled the unpaid balance of \$6,000,000. The Chinese government set aside about \$12,000,000 of the indemnity which the United States had remitted, as a fund for educating the Chinese students in this country; and over the years such students, after completing their courses in American colleges and universities, have returned to their country as ambassadors of good will for the United States. The stand of the United States government for the integrity of China, along with the remission of a great part of the Boxer indemnity, has aided in the development of a strong friendship between the United States and China.

The Boxer indemnity

Certainly China was in need of a friend, for, in violation of an agreement of the powers to withdraw their troops from Chinese soil in 1901, Russia continued to retain a strong force in Manchuria and dominated Korea. The United States and other powers remonstrated with Russia in several diplomatic exchanges; but the Russian government was always evasive. Seeing that Russia had unlimited ambitions in China, Great Britain had at first attempted, as already observed, to gain the close co-operation of the United States in that region; but since the United States insisted on no entanglements, Britain formed an alliance with Japan (January 30, 1902), which was even more concerned over Russian expansion than was Great Britain. This treaty recognized the open-door policy and the territorial integrity of China and Korea. The treaty guaranteed that should either ally be attacked by more than one nation the other ally would come to its aid.

Russian occupation of Manchuria; the Anglo-Japanese alliance

AMERICAN RELATIONS WITH JAPAN AFTER 1904

Feeling thus secure from attack by other great powers, Japan demanded that Russia withdraw from Manchuria. But Russia had no intention of giving up Manchuria under threats from the little

The Russo-Japanese War

island empire. The result was war which broke out on February 8, 1904. Japan had the sympathy of the American people because of Russia's arrogant disregard of her agreement to withdraw from Manchuria. Roosevelt was delighted when Japan went to war with Russia. Momentarily it seemed as if Japan had become the champion of the open door, and Roosevelt observed enthusiastically that "Japan is playing our game." The Japanese within a year had defeated the Russian armies in Manchuria and had sunk the better part of the Russian navy. But they had exhausted their resources, and both the military and naval leaders returned to Japan in the spring of 1905 to urge that the government make peace. At this juncture, had Russia thrown in fresh armies and supplies, she might have won the victory; but revolution had broken out on the home front, partly as a protest against the war, and Russia could not take advantage of Japan's weakened condition. Hence, when Roosevelt offered to mediate, both belligerents accepted, and on August 9, 1905, delegates from Russia and Japan met with Roosevelt at Portsmouth, New Hampshire. The Japanese demanded \$600,000,000 indemnity, the Russian concessions in Manchuria, and the Island of Sakhalin; but Russia refused to consider the money indemnity, and Roosevelt, suddenly made aware of Japanese ambition to dominate China, veered somewhat to the Russian side, so that Japan received only the Russian concessions in Manchuria and half of Sakhalin Island.

*Roosevelt
recognizes
Japanese
suzerainty
over Korea*

While the Portsmouth conference was in progress William Howard Taft, as Roosevelt's personal representative, was in consultation with the Japanese prime minister, Count Katsura, in a further effort to "stabilize" Far Eastern conditions. The President was afraid that the Japanese, who had just revealed such military and naval strength and prowess against the Russians, would seize the Philippines. He, therefore, offered to approve Japanese suzerainty over Korea as a price for Japanese approval of the United States possession of the Philippines. The Japanese prime minister and Taft on June 29, 1905, agreed to this bargain in a memorandum which Roosevelt approved and kept secret. It was not revealed until after the President's death. At the same time Roosevelt secretly assured both Japan and Great Britain that the United States would co-operate with them virtually as another ally in upholding the Far Eastern policy of the two countries—ostensibly the open door.

When the President failed to sustain the claims of the Japanese for the \$600,000,000 indemnity and all of Sakhalin Island, they were furious with the American President and people. The recent

bargain over the Philippines and Korea and the gesture toward Anglo-Japanese-American co-operation in the Far East were forgotten. This ill feeling was the beginning of a sentiment that continued to grow. The large Japanese immigration to California was also a cause of the continued Japanese-American friction. The immigration had just begun in 1900, yet within six years there were at least seventy thousand Japanese in California. These thrifty market gardeners and fruit-growing experts were soon in keen competition with the whites in the city markets and in the purchase of lands. Feeling became so tense between the groups that in 1906 separate schools were established for the Japanese children in San Francisco, and this aroused deep resentment in the homeland. Roosevelt persuaded the San Francisco school board to permit Japanese children to attend the white schools; and in an effort to get at the roots of the trouble he arranged a "gentlemen's agreement" with Japan by which that country would put an end to Japanese emigration to the United States. This arrangement was not carried out very well, however, and discrimination against the Japanese continued, and the Japanese resentment grew apace.

*Growing
friction
between
the United
States and
Japan*

The ill feeling between the two countries became so strong by 1907, and the tone of the Japanese press and its government officials became so arrogant, that Roosevelt concluded that the Japanese thought the United States was afraid of Japan. In this mood he dispatched the greater part of the United States' new navy—sixteen battleships with cruisers, destroyers, and auxiliary vessels—around the world. Although the fleet was given a rousing welcome in Japan, there is no doubt now but that it was the huge size of the American fleet that made the welcome so cordial. At any rate war talk died down for a while, and even before the fleet returned home a better feeling—at least outwardly—seemed to develop between the two countries. Root—then Secretary of State—and the Japanese ambassador in Washington, Takahira, as a pledge of better relations entered into an executive agreement:

*The United
States fleet
creates a
better feeling
in Japan*

1. To maintain the *status quo* in the Pacific.
2. To respect one another's territorial possessions in that region.
3. To abide by the open-door principle in China.
4. To uphold the integrity of China.

The agreement, however, was only an empty gesture since the United States was not yet willing to defend by arms the open door and the integrity of China while Japan had no intention of respecting either.

UNITED STATES' INTERVENTION IN NORTH AFRICA

*European
rivalries
in North
Africa*

While Roosevelt was preparing the ground for the Portsmouth peace conference between Japan and Russia he intervened in a brawl between the European powers. Here again secret and personal diplomacy entered, for Roosevelt had apparently made commitments to England concerning Germany. Between 1900 and 1904, France, Italy, Great Britain, and Spain by a series of agreements had made preliminary arrangements for dividing most of North Africa between them. England was to have a free hand in Egypt, Italy in Tunis and Cyrenaica, and France exclusive control over Tunis, while France and Spain divided Morocco into spheres of influence. Germany viewed this closing of the North African "open door" with both jealousy and alarm. On March 31, 1905, soon after Russia's severe defeat by the Japanese at the battle of Mukden, the German Kaiser, Wilhelm II, visited the Moroccan Sultan at Tangier where he announced in a blunt speech that he came to visit the Sultan of Morocco as the sovereign of an independent nation, and that the purpose of his visit was "to make it known that I am determined to do all in my power to safeguard efficaciously the interests of Germany in Morocco." War seemed imminent, for with Russia's crack armies defeated and France far behind Germany in her armament race, Germany could seemingly have had an easy victory. At the Kaiser's request Roosevelt brought pressure to bear upon Great Britain and France, and in June, 1905, they agreed to send delegates to a conference at Algeciras, Spain.

*The
Algeciras
Conference*

Roosevelt sent two delegates to the conference which met January 16, 1906. The President's meddling between European powers was a risky business. Not knowing the secret arrangements of France, England, and Italy for the division of North Africa, he permitted the United States to become the cat's paw of these powers. Then he served the Anglo-French entente by supporting the arrangement that these countries agreed upon at the conference in the face of German protest. Furthermore, Roosevelt and Root had a large part in formulating the terms of settlement which were finally adopted by the conference on April 7, 1906. By this agreement the signatory powers were to respect the territorial integrity of Morocco and the sovereignty of the Sultan; public finances were to be stabilized through an international bank; the open door was guaranteed in the matter of commerce and investments; but most important—and in accordance with the secret designs of these countries—France and Spain were to train and command the Moroccan police. The United States Senate finally approved the Algeciras agreement or conven-

tion, but with the understanding that the United States assumed no responsibility in enforcing its terms, and that its participation in the conference was purely for the protection of American lives and property and not to be taken as a participation in the settlement of matters purely European in their scope. While Roosevelt's backstage diplomacy may have postponed the First World War, it hastened the partition of Morocco and the closing of another open door.

THE FIRST AND SECOND HAGUE CONFERENCES

Despite the warlike outburst that gave rise to the war with Spain the American people were fundamentally peace loving; and they preferred to settle their differences with other nations by some form of arbitration, such as that used in the *Alabama* claims. It was, therefore, quite in accord with public sentiment that the United States took an active part in The Hague Peace Conferences in 1899 and 1907.

In January, 1899, Czar Nicholas II of Russia issued the invitations for the First Hague Conference, which was attended by representatives from twenty-four European and Asiatic nations and by the United States and Mexico. The chief subject for discussion suggested by the Czar was the limitation of armaments. The next subject of importance to be discussed was the lessening of the cruelties of war by prohibiting the use of certain modern weapons. The last item was the proposal that a plan for the arbitration of international disputes be devised. The United States delegation took an important part in the conference. Secretary of State Hay, who was very skeptical of the ability of the Conference to accomplish much, explained in his instructions to the American representatives that the American land and naval forces were so weak in comparison with those of the major European powers that the reduction of American armaments was hardly open to discussion. He also expressed doubt—regardless of the desirability of doing so—as to the feasibility of banning the use of the more barbarous and destructive modern weapons of war. He correctly surmised that even should the nations agree to outlaw the use of such weapons, the agreement could not be enforced. The temptation of those countries possessing a superiority in the outlawed weapons would be too great to resist. But he looked upon the establishment of a tribunal for international arbitration as both desirable and within the realm of possibility. The Conference utterly failed to reach any agreement on disarmament, partly because of the opposition of the German delegation, but chiefly because of the mutual distrust of the great powers. On the matter of rendering warfare less barbarous, several nations agreed not to use poisonous

*First Hague
Conference:
Certain
weapons of
war banned;
methods of
arbitration
established*

gases and poisoned and flat-nosed ("dum-dum") bullets, and not to launch projectiles and explosives from balloons.

The Conference was far more successful in agreeing on peaceful means of settling international disputes. The three proposed methods of settling disputes without resorting to war were: (1) the mediation or offer of good offices by a friendly power to the parties of a dispute or conflict; (2) international commissions such as those that had settled the Alabama claims; and (3) of more importance, the establishment of an international tribunal at The Hague to which each power agreeing to the convention was to appoint four judges for a term of six years. Every power except Turkey represented at The Hague Conference accepted The Hague proposals for settling disputes. The countries desiring to arbitrate their disputes by resorting to this tribunal would select the judges whom they desired from this panel. In submitting their cases, the disputants were to define the powers of the tribunal, after which they were to be bound by the decision. The nations, agreeing to submit their differences to arbitration, were careful always to provide that no question should be submitted that involved national honor or integrity. It was under the provisions of The Hague convention that Roosevelt mediated in the Russo-Japanese war and took the initiative in the Moroccan crisis, and that the Venezuelan controversy with England and Germany was submitted to The Hague tribunal.

*Second Hague
Conference:
Further
agreement
on the laws
of war; the
acceptance of
the Drago
Doctrine*

In 1907 at the special suggestion of President Roosevelt, the Czar of Russia called the Second Hague Conference, which was attended by representatives of forty-six nations. One of the principal subjects discussed was the establishment of a world court, to consist of fifteen judges and to deal with matters of law rather than merely to arbitrate on the basis of expediency. The United States was particularly interested in establishing this court; but the inability of the delegates to agree on a method of appointing the judges, and above all the mutual distrust that prevented the limitation of armaments, caused the Conference to drop the question. On the other hand, the laws of war were better defined and further limitations were placed upon the use of the destructive weapons of war. Although the United States accepted without reservation the principles of international law and the restrictions of the use of weapons agreed on at the Conference, some of the great powers made important reservations that paved the way for the ruthlessness of the First and Second World Wars. Of great importance to the United States was the adoption by the Conference of the principle advocated by

the United States and the Latin American countries that force must not be used to collect national debts. This principle had first been announced by Louis M. Drago of Argentina; and it will be recalled that the Platt Amendment and the Roosevelt corollary of the Monroe Doctrine were aimed at preventing the intervention of a European power for this purpose.

PART V

The Progressive Era

CHAPTER XX

The Square Deal

"I stand for the square deal. . . . I mean not merely that I stand for fair play under the present rules of the game, but that I stand for having those rules changed so as to work for a more substantial equality of opportunity and reward."

Theodore Roosevelt

PRESIDENT Roosevelt was an imperialist abroad, but he was a liberal at home. Indeed, this was to be the tragedy of his later career: to belong to a party with whose social and economic philosophy he came more and more to disagree, but on whose support he depended for political preferment. It explains in part his talent for double talk, political tightrope walking, and other contradictory aspects of his public life.

Roosevelt a liberal in a conservative party

As a young man Roosevelt held many liberal views, although he was always a party regular and vehemently denounced the Mugwumps and Independents who bolted the Republican ticket. Before his election to the governorship of New York and to the Vice-Presidency he had been somewhat influenced by the exposures and agitations of the Alliance and Populist groups; but as an Easterner he had been more impressed by the labor movement of the cities. He had denounced Bryan in 1896 and 1900 as virtually an anarchist, but there can be no doubt that he was greatly influenced during his Presidency by the Populist-Democrats who looked to Bryan for leadership and by Bryan himself. The progressive movement within his own party under the leadership of such men as Robert La Follette of Wisconsin and Hiram Johnson of California certainly had its share in educating President Roosevelt, but it must be pointed out that this movement was the Republican continuation of Populism.

Factors in the development of Roosevelt's liberalism

Of great importance in developing Roosevelt into a liberal and bringing him to abandon the doctrine of *laissez faire* was his experience as President with the masters of capital; but of most importance in this respect were the revelations by the muckrakers of the practices and sinister workings of the trusts, monopolies, and the political machines. Without the exposures of the misdeeds of the corporations and their threat to democratic government it is hardly probable that Roosevelt and the public that supported him would

have been sufficiently aroused to undertake any effective measure to restrain or regulate the trusts.

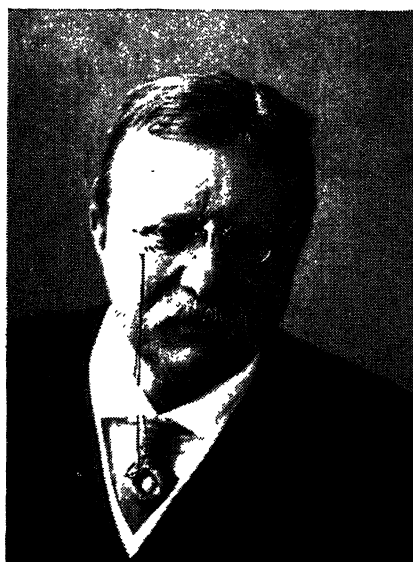
THE MUCKRAKERS

The President gives the muckrakers their name

The muckrakers received their name from the President himself. In 1906 when these writers had been engaged for some years in uncovering the misdeeds of railroads, trusts, banks, and insurance companies and in revealing the relationship between these powerful

organizations and corruption in local and national government, Roosevelt burst out in exasperation with one of his famous apothegms and gave the writers of the literature of exposure their name:

In Bunyan's *Pilgrim's Progress* [he said], you may recall the description of the man with the muck-rake, the man who could look no way but downward with muck-rake in his hands; who was offered the celestial crown for his muck-rake, but would neither look up nor regard the crown he was offered, but continued to rake the filth of the floor.



Courtesy of Women's Theodore Roosevelt Memorial Assoc.

THEODORE ROOSEVELT.

Photo by Walter Scott Shinn

Although he thought the muckrakers were exaggerating or were creating their stories from their own imaginations, Roosevelt

nearly always found himself convinced by them in the end. This was characteristic of the man: to denounce as liars those with whom he did not agree, and eventually to be convinced by them and to adopt their argument as his own.

The forerunners of the muckrakers

The muckrakers had their forerunners in the era of the Greenback Labor Party and of the Alliances and Populists. *Harper's Weekly* under the editorship of George William Curtis had aided in the exposure of the Tweed Ring and had done much to blight the Presidential aspirations of Blaine by its publication of the Mulligan letters. In 1881 Henry Demarest Lloyd published an article in the *Atlantic Monthly*, based on official reports and judicial

Copper; Gustavus Myer's *History of the Great American Fortunes*—most or all of which, he concluded, were based upon rotten nest eggs—; Charles Edward Russell, *The Greatest Trust in the World*, an exposé of the inside workings of the beef trust; Upton Sinclair, the *Jungle*, a novel dealing with conditions in the stockyards and slaughterhouses, where filth, disease, and carelessness were so unbelievable that those who read its pages—including Roosevelt—were scarcely able to eat meat afterward; Burton J. Hendrick's *Story of Life Insurance*, which revealed the unsound conditions in the insurance business and which, in connection with the exposures of corruption in this business by Charles Evans Hughes, gave rise to stricter government regulation; Frank Norris' the *Octopus*, which dramatized the hopeless struggle of the farmers with the railroads; and David Graham Phillips' *The Treason of the Senate* in which he pictures such leaders in the Senate as Cabot Lodge, Nelson Aldrich, Chauncey Depew, Arthur P. Gorman and others as hired agents of the corporations and not representatives of the people who elected them. These and many others of like nature aroused the public conscience and contributed greatly to Roosevelt's attitude and policy.

"TRUST-BUSTING"

The monopolistic trends of the corporations; the Northern Securities Company

In the face of such exposures, as already observed, the great corporations continued their arrogance and their monopolistic trends. Of particular significance was the consolidation of railroad systems. Edward Harriman had in 1900 consolidated the Union Pacific, the Southern Pacific, the Illinois Central, and a network of systems in the Southwest and in California, and gained control of the Baltimore and Ohio. In the early part of 1901 he had invaded the Hill empire of the Northwest, purchased a controlling share of the Northern Pacific right out from under Hill, and was bent upon winning control of the Chicago, Burlington and Quincy when peace was made between himself and Hill, partly through the mediation of J. P. Morgan. In the fall of 1901 the Northern Securities Company capitalized at \$400,000,000 was organized under Morgan's direction as a holding company to take over the Great Northern, the Northern Pacific, and the Chicago, Burlington and Quincy. It was to be controlled by the Harriman group on the one hand and the Hill-Morgan interests on the other. It was an actual monopoly of transportation in the Northwest and a potential monopoly in the entire West. But this was not all, for Harriman was rapidly acquiring control of trunk lines to the Atlantic seaboard; and was soon to make it fairly clear that he would attempt to domi-

nate the transportation system of the entire country. There was no limit to his dreams of wealth and power; and he revealed an arrogant indifference both to public opinion and that of the responsible officials of the United States government.

Roosevelt and Harriman, although they became enemies later, were personal and political friends at the time of the formation of the Northern Securities Company, and the President was certainly on good terms with Morgan and perhaps with Hill. Despite this friendship there seems little doubt that the President had been observing the recent operations of these great railroad and financial magnates with anxiety and resentment; and on February 19, 1902, he had Attorney General P. C. Knox announce that the Federal government would shortly enter suit under the Sherman Antitrust Act for the dissolution of the Northern Securities Company. Roosevelt's decision to bring suit against the Harriman-Hill-Morgan combination was made without consultation with any member of his Cabinet other than Knox, nor had the President taken counsel with the great men of affairs. Indeed, "Jupiter" Morgan himself had not been warned or consulted, and he was deeply hurt. He complained to the President a few days later about such rough treatment. "If we have done anything wrong," complained the magnate, "send your man, Knox, to my man . . . and they can fix it up." Roosevelt and Knox assured Morgan that the suit was not being entered to "fix" but to stop such illegal combinations as the Northern Securities Company.

*Prosecution
of the
Northern
Securities
Company*

The suit was filed in St. Paul, on March 10, 1902, where a state case against the company was already in progress. On April 9, 1903, the Federal court at St. Paul rendered a decision in favor of the government, whereupon the case was appealed to the Supreme Court. Here it would have dragged on much longer had not Congress, at the request of Knox, passed an expedition act which enabled the Court to give the case priority over other pending suits. On March 4, 1904, the Court held in a five to four decision that the railroad merger was accomplished by the Northern Securities Company in violation of the Sherman Antitrust Act, and it ordered the dissolution of the company.

The decision reversed the doctrine of the Knight case and resuscitated the long inanimate carcass of the Sherman Antitrust Law; and there was now little doubt that Roosevelt would move along a broad front either to dissolve the great corporations by means of the Sherman Act or impose regulations upon them through other laws based upon the interstate commerce clause of the Constitution. The point of view that lay behind this determination

*Roosevelt's
trust policy:
Dissolution
or regula-
tion*

to bring big business under some restraint was expressed by Roosevelt in his autobiography at a later date:

The total absence of governmental control had led to a portentous growth in the financial and industrial world—both of natural individuals and of artificial individuals—that is corporations. In no other country in the world had such enormous fortunes been gained. In no other country in the world was such power held by men who had gained these fortunes; and these men almost always worked through, and by means of, the giant corporations which they controlled. The power of the mighty industrial overlords of the country had increased with giant strides while the methods of controlling them or checking abuses by them on the part of the people, through the Government, remained archaic and therefore practically impotent.

These great plutocrats of finance and industry exercised a tyranny over the people, and, continued Roosevelt, "of all the forms of tyranny the least attractive and the most vulgar is the tyranny of mere wealth, the tyranny of plutocracy."

*The
"trust-
busting"
President
prefers trust
regulation*

Throughout his two administrations Roosevelt continued to prosecute the monopolies, large corporations, and railroads for violation of the Sherman Antitrust Act and of the interstate commerce laws to be discussed later. Twenty-five important suits were entered against corporations, several of which eventually ended in favor of the government: the beef trust, the sugar trust, the fertilizer trust, the tobacco trust, and a number of others were dissolved; but in each case these vast interlocking interests managed to get back together in a different form. Roosevelt was proud to be called the "trust-buster" because of the political value such a title had; but he soon reached the conclusion that "trust-busting" was a futile gesture, and that trust regulation was the only effective way by which great corporations could be held within the limits of civilized ethics.

Furthermore he regarded mere size as no evil in itself; but on the contrary he looked upon the growth of big corporations as the natural and inevitable result of modern industrial and financial developments. The manner in which they conducted themselves with reference to the public interest and affairs of government was what counted; and judged by this test Roosevelt concluded that there were good trusts and bad ones. Those corporations that showed the proper respect for public interest and government were good trusts which he would leave alone, while those that used their power to obtain their ends at public expense were bad trusts that he would prosecute under the Sherman Law. In 1911 the Supreme Court

adopted the Roosevelt doctrine in the Standard Oil case, when it ruled that only combinations that unreasonably affect interstate commerce were violations of the Sherman Antitrust Act.

FIRST EFFORTS AT TRUST REGULATION

While he continued to bring suit under the Sherman Antitrust Act against interstate corporations, Roosevelt, who believed that the President should take the lead in planning a legislative program, pressed with some success for the enactment of laws which would effectively control the practices of these great organizations. In his first message to Congress (December, 1901) he proposed that a Department of Commerce and Labor—with Cabinet rank—be established, with power to investigate the conduct of interstate corporations; and during the next year he continued, although not urgently, to advocate such a measure. Finally, in January, 1903, the President began pressing for immediate congressional action; and he specified that the proposed Department should have a Bureau of Corporations whose business would be to “investigate the operations and conduct of interstate corporations,” and make a report on its findings.

The reaction of big business to such a proposal was instant and violent. The vice-president of the Standard Oil Company, John Archbold, promptly busied himself with certain “conservative” members of the House and Senate. The bill providing for the Bureau of Corporations, he telegraphed Congressman J. C. Sibley of Pennsylvania, was “just as bad as need be,” and he expressed the gratitude of his company for “the helpful and conservative course” of Sibley and his crowd. Archbold then came to Washington where he could deal with Congressmen at close range. Roosevelt, getting wind of this undercover work of the trusts, made one of his brilliant strokes in political strategy. On February 7, 1903, he told a group of newspaper men that six members of the Senate had received telegrams from John D. Rockefeller, urging them to oppose any antitrust legislation, meaning of course the bill to establish the Department of Commerce and Labor. The President said that he did not remember the exact wording of the telegram, but that it was substantially as follows: “We are opposed to any antitrust legislation. Our counsel Mr. will see you. It must be stopped.” The story promptly got into the papers and a perfect storm of indignation swept the country. Speaker Joe Cannon, who considered Roosevelt the greatest liar of all time, remarked bitterly that “the Rockefeller telegram originated in the brain of the President.” Certainly by a combination of guesswork and insight into the situation, Roosevelt flushed the Standard Oil Company

The Department of Commerce and Labor with a Bureau of Corporations proposed

Roosevelt's exposure of the Standard Oil lobby; the passage of the bill

and all the other big game that had been hiding in congressional offices and halls, and Congress passed the measure by a large majority vote. The Bureau of Corporations was not put into active operation until after the election of 1904 when Roosevelt became President in his own right; but it was to prove one of his deadliest and most effective weapons in dealing with interstate corporations.

THE ANTHRACITE COAL STRIKE

Doubtless one of the causes for Roosevelt's sudden urgency in pressing for the establishment of the new department with its Bureau of Corporations was the harrowing experience through which he and the American public had gone in the summer and fall of 1902 with the strike in the anthracite coal mines of eastern Pennsylvania.

*The demands
of the miners
refused;
the strike*

In the winter of 1902, a few months before the termination of the agreement which they had made after their short but successful strike in 1900, the anthracite miners began to present demands for a reduction of the hours of labor from ten to nine hours, for a twenty per cent increase in wages, and for payment on the basis of the gross weight of coal mined rather than the net amount weighed in after the impurities were removed. Unfortunately for the industrial peace of the country, the anthracite mine operators, who had just seen the United States Steel Corporation crush the Amalgamated Association of Iron and Steel Workers, were desirous of breaking up the United Mine Workers' organization in their coal fields. Meeting only refusal on the part of the operators to consider the miners' demands, Mitchell, president of the United Mine Workers, ordered a strike on May 12, 1902, which was obeyed by at least 140,000 miners. Mitchell, unlike his successor, John L. Lewis, was patient, suave, calm, and courteous in dealing with the operators; and he exercised a restraining influence on the polyglot mass of strikers. There was little violence and sabotage during the four months of the strike. His conduct and that of the miners won the sympathy of the public despite the deprivations which, in the fall of the year, threatened widespread suffering and inconvenience.

*The attitude
of the
operators;
Baer's letter*

On the other hand, the conduct of the operators brought only public disapproval. Unfortunately for the operators, G. F. Baer, President of the Philadelphia and Reading Coal and Iron Company, made a statement in a widely published letter of his philosophy of the proper relations of capital and labor, a philosophy generally believed to be shared by the other operators and men of great wealth. In reply to W. F. Clark, who had written Baer that it was his religious duty to end the strike, Baer wrote among other things: "The rights and interests of the laboring man will be protected

and cared for—not by the labor agitators, but by the Christian men to whom God in his infinite wisdom has given the control of the property interests of this country.” In addition to their unpopularity with the public, the anthracite operators met opposition in the ranks of the other industrialists and financiers. Mark Hanna, J. P. Morgan, John D. Rockefeller, Jr., Charles Schwab, and Andrew Carnegie, to mention only a few of the men of great wealth, were opposed to the outrageous attitude of the operators and favored a compromise settlement with the miners.

Roosevelt, too, was completely out of sympathy with the operators from the very beginning; and as the summer wore on into fall and as many industries and institutions, particularly schools, commenced to close down, the President began to plan drastic action. At first he had attempted to bring the operators and strikers together in a compromise settlement through the mediation of J. P. Morgan; but the operators, apparently dominated by Baer, refused to make any concessions. Finally, in desperation, the President held a meeting of the operators and the leaders of the United Mine Workers at the White House on October 3, 1902. But the operators would yield nothing. On the contrary, according to Roosevelt, they displayed “extraordinary stupidity and bad temper.” Indeed, said Roosevelt, Mitchell was the only one, including the President himself, who conducted himself like a gentleman. The President became so outraged at the arrogance and discourtesy of one of the operators, presumably Baer, that he later remarked that “If it wasn’t for the high office I hold, I would have taken him by the seat of the breeches and the nape of the neck and chucked him out of that window.”

*The White
House
conference*

The conference broke down without a settlement and then Roosevelt began to prepare plans to seize the mines and attempt the impossible expediency of having the army mine the coal. He summoned General J. M. Schofield of Civil War fame to the White House where he instructed the General as to his duties; and Schofield promised to operate the mines in the face of strikers, operators, and court orders. While preparing to seize the mines, Secretary of War Root was in consultation with Morgan who passed on to the operators the threat of seizure. The operators finally gave way before such pressure, and on October 13, they agreed to the appointment of an arbitration commission to settle the strike. The operators then indulged in petty haggling over the personnel of the commission, drawing the fine distinction, as Roosevelt said, between tweedledum and tweedledee.

At last the commission was appointed, and on March 20, 1903, after several months of negotiations with the strikers and the

operators, it awarded the miners a ten per cent increase in wages, the eight- and nine-hour day, and the right to have a union checkweighman at the coal scales. But the union was **not** given official recognition as a bargaining agent.

THE ELECTION OF 1904

*Roosevelt's
desire to
be President
in his own
right; his
popularity*

Roosevelt's desire to achieve social justice in America as an end in itself as well as a means of preventing class war and socialism was sincere and strong; but his desire to become President in his own right was a consuming passion. "I had rather be *e-lect-ed* to that high office," he declared to a companion in 1903, "than to have anything tangible of which I know." The President was aware that his vigorous conduct of foreign affairs and his efforts at "trust-busting" and the regulation of interstate corporations had won for him great popular acclaim. His intervention in the Caribbean area, the President realized, satisfied the nationalistic and imperialistic elements, while his withdrawal of the army of occupation from Cuba and his moderate and humane policy in the insular possessions calmed the apprehensions of the anti-imperialists. His prosecution of the Northern Securities Company and other corporations, the establishment of the Department of Commerce and Labor with its Bureau of Corporations, the strong-handed intervention in the coal strike, and the general tone of his public statements as well as his actions were, Roosevelt believed, convincing evidence to the rank and file that he would attempt to curb the exploitations and outrageous practices of the trusts.

*Roosevelt
fears the
conserva-
tives will
prevent his
nomination*

The President, however, was afraid that such popularity would be of no avail in obtaining him the Republican nomination in 1904; for he felt that the party bosses and the conservative leaders like Aldrich, Cannon, Tom Platt, and Mark Hanna would manipulate the nominating convention so as to place a conservative at the head of the ticket. Roosevelt's anxiety about the conservative opposition bordered on hysteria in the fall of 1903 and the winter of 1904; and he jumped to the conclusion that Mark Hanna was not only working against him under cover, but that he was actually attempting to obtain the nomination for himself. Roosevelt was wrong, for Hanna—reluctantly enough—was preparing to support the President in 1904. But with his usual impulsiveness and hot temper Roosevelt stormed and hurled epithets, more or less privately, against the Ohio Senator. Suddenly Hanna, who was already in very poor health and who could not have stood a Presidential campaign and knew it, contracted typhoid fever and died (February 8, 1904).

Roosevelt was correct in his belief that the conservatives and the agents of the corporate interests would have preferred to have a more conservative President than he; and this dread of the conservative leaders of his party caused him to trim his sails in meeting certain issues so as to appease the more reasonable of this group. Such was especially true of his position on the protective tariff. Although it had been singled out by opponents of trusts and monopolies as "the mother of trusts," Roosevelt, who desired tariff reduction, avoided tariff reform. He eased his conscience by the self-imposed conviction that he did not really understand the tariff question; and when his conscience or his progressive political allies pushed him too hard, he avoided the issue by postponing the matter until the next administration on the ground that he desired other reforms that were more immediately pressing. It may be that he could not, even with his great popularity, have received the nomination had he come out boldly in favor of tariff revision downward; and it certainly seemed to him that he would not be able to bring about the enactment of other reforms were he to alienate the Republican members of Congress who stood for a protective tariff.

The President's dread of conservative opposition causes him to avoid the tariff issue

With the conservatives silenced by the popularity of the President on the one hand and pleased by his apparent lack of interest in the tariff issue on the other, no tangible opposition developed, and Roosevelt was nominated by acclamation by the Republican national convention in June, 1904, and the conservative Charles W. Fairbanks of Indiana was nominated for the Vice-Presidency. The "standpatters" would have control should another anarchist get rid of the President.

The Republicans nominate Roosevelt and Fairbanks

The Democratic Party, having suffered defeat twice under the leadership of Bryan and the Western and Southern wings of the party, swung back to the control of the East and nominated the conservatives, Judge Alton B. Parker of New York, and Henry G. Davis of West Virginia, for the Presidency and Vice-Presidency. Parker almost made free silver an issue again—within his own party—by repudiating it; and his conservatism was a guarantee that he would be a safe man should the business interests decide that Roosevelt was too dangerous for them to support. The result of Parker's nomination was that a large portion of the old Alliance-Populist elements of the Democratic Party in the West either stayed at home or voted for Roosevelt. The corporations disappointed the Democrats and threw their support to Roosevelt by contributing the greater part of the \$2,195,000 campaign fund.

Parker and Davis, the Democratic candidates

Parker and others promptly accused Roosevelt of having obtained campaign funds by blackmail. His campaign manager, Secretary

*Roosevelt
makes
Parker a
member
of the
Ananias
Club*

of Commerce and Labor George B. Cortelyou, had had, by means of the Bureau of Corporations, an opportunity of finding out the misdeeds of the great corporations and trusts, and he was believed to have threatened exposure unless they contributed generously to the campaign chest. The enormous donations that later investigation revealed to have been made by such corporations as the Standard Oil Company, J. P. Morgan and associates, Harriman, George J. Gould, the New York Life Insurance Company, the Equitable, and the Mutual seemed to confirm Parker's accusations. Roosevelt, however, who doubtless made a point of not knowing whence the bountiful supply of campaign money came, denounced Parker and everyone else who had accused Cortelyou—and the President—of obtaining funds by blackmail, as malicious liars. Parker and the others who had accused Cortelyou of such wickedness were thus made charter members of the "Ananias Club" (named after the Biblical character who had been stricken by death because of a lie that he had told).

*The result
of the
election*

The result of the election was an overwhelming victory for Roosevelt, who received 336 electoral votes to Parker's 140. Roosevelt carried all the states outside the South and even there he carried West Virginia.

RAILROAD REGULATION

*Roosevelt's
program:
Regulation
of inter-
state cor-
porations*

"Tomorrow I shall come into my office in my own right. Then watch out for me!" Roosevelt is reported to have said this to some friends on the day of his inauguration. Actually, he had not waited for this great event; for no sooner had the election returns come in and he knew that he had been made President in his own right than he began to display a growing lack of gratitude to those great corporations that had financed his election. To them it became quickly apparent that he would take particular pleasure in biting the hands that had fed him. Indeed it must have been exceedingly bitter to men like E. H. Harriman who had raised a \$250,000 campaign fund to put Roosevelt back in the White House, or the Standard Oil Company, which had contributed \$125,000, to watch the signs of increasing ingratitude on the part of the President. In his message to Congress in December, 1904, the President was verbose and spoke in rather general terms; yet the message contained the germ of his program: Federal regulation of interstate industrial, financial, and railway corporations. In a speech in February, 1905, to the Union League in Philadelphia, where the men of wealth of that city and other Eastern cities on occasion foregathered, Roosevelt stated much more concisely and in blunt English the fundamental

objective of his next administration: "an increase in supervision exercised by government over business enterprise." State control, he asserted, was inadequate, for corporations had outgrown state boundaries; indeed all businesses conducted by these organizations was interstate and must be regulated by Federal law. If the Supreme Court declared such regulatory laws unconstitutional, then the Constitution must be amended so as to grant such powers to the Federal government.

The speech stated definitely the principle of Federal regulation of interstate corporations in general, but in the matter of railroad regulation the President indicated specifically what regulatory measures were necessary: "there must be lodged in some tribunal the power over rates, and especially over rebates . . . which will protect the railroad and the shipper on equal footing." This speech, then, marks the opening of the Roosevelt campaign to regulate the railroads, something that the Grangers had attempted by state action, and that Congress had attempted by the Interstate Commerce Act of 1887 and the several amendments.

*Effective
railroad
regulation
necessary*

The law of 1887 had, it may be recalled, prohibited unjust and unreasonable charges and rebates, forbade discrimination between persons and between long and short hauls, and required that the railroads publish their rate schedules. In 1889 the law was amended so as to make the granting and receiving of rebates a crime. Under the clause prohibiting unjust and unreasonable charges the Interstate Commerce Commission had over a period of ten years attempted to fix maximum rates; but in 1897 the Supreme Court denied that the law gave the Commission such power. The railroads, it will be recalled, had the right to appeal all rulings of the Interstate Commerce Commission to the Federal courts, and this had proved fatal: it required an average of four years to carry such cases through the courts, and in a few instances it required twelve. The law of 1887, then, was virtually a dead letter when Roosevelt came to office.

*The inter-
state com-
merce law
of 1887
ineffective*

However, in 1903 Senator Davis Elkins of West Virginia, a member of the Senate Interstate Commerce Committee and a "railroad Senator," pushed through an amendment to the law of 1887 which increased the penalty on railroad and shipper for giving and receiving rebates, and granted to the Federal courts the power to issue cease and desist injunctions against the parties to a rebate agreement. The railroads were actually in favor of the Elkins amendment, for it had nothing to do with regulation of rates.

*The Elkins
Act of 1903*

Roosevelt's increasing heat after the election on the subject of railroad regulation, indicated in his Union League speech and other pronouncements, was even more specific in his message to

The President urges Congress to grant the Interstate Commerce Commission power to set maximum rates

Congress in December, 1905. He urged the immediate passage of a law to give the Interstate Commerce Commission or some other Federal body the right to prevent the fixing of unjust and unreasonable freight and passenger rates, in fact to fix the maximum rates (subject to judicial appeal), and to compel the railroads to keep their accounts open to inspection. The railroads mobilized all forces of resistance—including a campaign of “education” carried on in the press—to prevent any such action as the President was urging upon Congress.



From the Tribune (Minneapolis)

TRYING TO BLOCK HIS WAY.

The exposure of corporation practices breaks down the opposition

Roosevelt once again, as he had in 1903 in the fight over the establishment of the Department of Commerce and Labor with its inquisitorial Bureau of Corporations, resorted to a maneuver that drove the enemy from ambush. He entered suit under the Elkins Act and obtained indictments against several large railroads and packing corporations for giving and receiving rebates. While the suits which revealed evidence of widespread violations of this act were being aired, the President made public the report of the Bureau of Corporations on the affairs of the Standard Oil Company—already well known through the writings of Lloyd and Miss Tarbell—which proved, said the President, that the Standard

was benefiting directly from secret rebates to the amount of three-quarters of a million dollars a year. He observed, too, that the sugar trust was likewise receiving rebates. This maneuver to expose the misdeeds of the corporations, at the very moment when they were so vigorously fighting all efforts at government regulation, was greatly aided by the scandalous disclosures made by Charles Evans Hughes in 1905 concerning the practices of the life insurance companies, and by the publication of Upton Sinclair's *Jungle*, revealing conditions in the packing industry. Opposition gave way and Congress passed the Hepburn Act on June 29, 1906.

The original bill, as introduced in the House by Peter Hepburn of Iowa, gave more authority to the Interstate Commerce Commission in rate fixing than did the bill as finally worked over by the Senate, where the railroads had so much influence. The law gave the Interstate Commerce Commission the power to fix maximum rates; and the carrier had to abide by the decision of the Commission until the court reversed it. The law granted the Commission jurisdiction over other common carriers such as express and Pullman cars, bridges, ferries, pipe lines, and refrigerator cars, prohibited the granting of free passes except to employees or their families, empowered the Commission to establish for the railroads a uniform system of bookkeeping and required it to examine the books. Although the Hepburn Act had defects that were to be remedied from time to time, such as the failure to base rates on the evaluation of the railroads, still it proved to be a most important step in establishing fair dealing on the part of carriers.

*The Hepburn
Act of 1906*

HEALTH PROTECTION UNDER THE INTERSTATE COMMERCE CLAUSE

At the very time that the Hepburn bill was being angrily debated, amended, and compromised in joint House and Senate conferences, Congress was working on the Pure Food and Drug Bill and the Meat Inspection Bill—both later enacted into law. The sudden activity of Congress in the field of public health was due to a series of revelations concerning the meat-packing business and that of patent medicines and prepared foods.

The muckrakers had done something in exposing the unsanitary conditions in the meat-packing industry before Upton Sinclair published his novel the *Jungle* in the early part of 1906; but this book, which was based upon careful investigation, revealed conditions of disease and filth so terrible that it caused a wave of nausea to sweep the country. Poisoned bread, according to the *Jungle*, would be put out for rats, and the dead rats, poisoned bread, and meat would be ground up together; and even a man

*Sinclair's
Jungle
exposes
conditions
in the
packing
houses*

who fell into a rendering vat was boiled along with the hog fat and sold as part of the ingredients of pure lard.

Government investigation sustains the charges made by Sinclair

Roosevelt, on reading Sinclair's book in the early spring of 1906, was convinced that the *Jungle* had greatly exaggerated conditions in the meat-packing industry, and it doubtless had much to do with his calling the writers of such books muckrakers. But it disturbed him greatly and he had Secretary of Agriculture James Wilson appoint two men, Bronson Reynolds and Charles P. Neill, to investigate the meat-packing business. Reynolds and Neill made disclosures that were as horrifying as anything that Sinclair had made in the *Jungle*. Roosevelt was convinced, and with his vigorous backing, Senator Beveridge (May 22, 1906) introduced a bill requiring Federal inspection of the meat-packing business. The Senate passed the bill at once; but the packing industry or beef trust organized their forces in the House and held up further action on the bill for a time.

The Reynolds-Neill report arouses the public

By this time the President, who was at grips with the railroads over the Hepburn bill, was thoroughly angry with corporations in general, and he rallied public opinion behind the meat-inspection measure by publishing the Reynolds-Neill report on the packing houses. It was a nauseous document. Meat was shoveled from filthy, wooden floors, along with splinters, dirt, "floor filth and the expectoration of tuberculous and other diseased workers," and hauled from room to room in "rotten box cars." Chunks of dirty, spoiled meat, pieces of hide, and strands of rope were found to have been ground up together in making potted ham. The packers, however, were not yet convinced that they must submit to government inspection. They attempted to discredit the Reynolds-Neill report. Thomas E. Wilson, of the Morris Packing Company, remarked, for example, that the two government investigators were merely oversensitive persons who had been so shocked by the sight of blood that they had been led into great exaggerations and misrepresentations.

The passage of the Meat Inspection Act

Seeing that the Reynolds-Neill report might not be sufficient to move the packers into withdrawing their opposition to the inspection bill, Roosevelt let it be known that this was only a preliminary survey of the packing business, and that a more thoroughgoing and detailed report would follow unless the beef trust ceased blocking the measure. This threat of further disclosures had the desired results: the packers gave up their fight and the Meat Inspection Act was passed on July 1, 1906. This act required that all meat intended for interstate commerce be inspected by the Federal government, and that packing houses must observe certain sanitary regulations.

The battle for meat inspection was closely related to the passage of the Pure Food and Drug Act. Dr. H. W. Wiley, chief chemist of the Department of Agriculture, had been for some years analyzing patent medicines and canned and other types of prepared food, and he had revealed the fact that the patent medicines, many of which usually held out promises to cure all known diseases, were either harmless and worthless concoctions of herbs or were dangerous combinations of habit-forming drugs such as cocaine and opium. The wind was taken out of the sails of the patent medicine and prepared-food manufacturers by the revelations of conditions in the packing houses and by disclosures made by Dr. Wiley and his "poison squad." The Pure Food and Drug Act, which was passed on June 23, 1903, prohibited the manufacture, sale or transportation of foods and drugs falsely labeled or containing poisonous or harmful ingredients. The prohibition, of course, applied only to interstate and foreign commerce. Many of the states already had statutes prohibiting the manufacture and sale of such products. The Meat Inspection Act and the Pure Food and Drug Act were amended from time to time to remedy weaknesses that time and the ingenuity of unprincipled men uncovered.

*The Pure
Food and
Drug Act*

THE PANIC OF 1907

In the spring and summer of 1907 there were ominous signs that the era of prosperity which had contributed so much to Roosevelt's popularity might be approaching its end. Stock-market breaks followed by a steady decline, and rapidly tightening credit and occasional failures of large business houses were as the large scattered rain drops before the storm. The world of high finance and big business blamed the President for what seemed an approaching disaster. Many of them rushed to Washington to urge him to cease his prosecutions, regulations, and investigations of the corporations—in other words according to their view, to cease the "persecution" of business, which had undermined public confidence. Roosevelt's reply to such appeals and upbraiding was: "If trouble comes from having the light turned on . . . it is not really due to the light but to the misconduct which is exposed."

*Signs of an
approaching
economic
crisis;
Roosevelt
blamed*

In October (1907) the financial storm struck Wall Street, the financial nerve center of the country. Stocks crashed, brokers were ruined, there were runs on virtually every bank in New York, and the Knickerbocker Trust Company—the third largest bank in New York—and a dozen or so smaller banks had to close. Panic swept out from New York over the country and for a while money could not be obtained and business was almost at a standstill. The Presi-

*The panic;
Roosevelt's
aid in end-
ing the panic*

dent, indignantly and with justice, refused to be held responsible for the crisis. In his anger he laid the blame on the speculators, the "malefactors of great wealth," as he called them. Nevertheless, he did take a decisive part in ending the panic. He had Secretary of the Treasury George B. Cortelyou place \$25,000,000 of government funds in the New York banks, apparently at the disposal of J. P. Morgan, presumably to meet runs on the larger New York banks and supply funds to the stock exchange houses. At about the same time Roosevelt doubtless prevented the collapse of the stock of the Tennessee Coal and Iron Company—which was about to be thrown on the market by the brokers who were holding it as collateral—and the further spread of the panic by encouraging the United States Steel Corporation to purchase this Company and thus validate its securities. The President promised not to prosecute the corporation for violation of the antitrust laws in case it absorbed the Tennessee Coal and Iron Company. Within a few weeks recovery set in; and while there was no such boom as that which existed before the panic, the country enjoyed moderate prosperity and Roosevelt retained the popularity that he had been so fearful of losing. The men who owned or controlled the great corporations did not, however, share in this approbation. They feared Roosevelt, and in 1912 when he was a candidate for the Presidency they threw their weight in the scales against him.

*Causes of
the panic*

The panic of 1907 was world-wide in extent, although its severest phase was felt in America. The causes are not difficult to discover. From 1900 to 1904 the total capitalization of million dollar corporations had increased from five billion to twenty billion, and there were hundreds of smaller corporations whose capitalizations added more billions. These corporations placed their stocks and bonds on the market, and the stock market by 1907 was gorged and was suffering from "indigestible securities." During this period of expansion the speculative fever had been high and business had been capitalized far beyond its earning capacity. It may be, too, that Roosevelt's policy of "trust-busting" and regulation, and the exposure of the misdeeds of the corporations did contribute something to the panic; but this contribution was in the nature of a precipitant and had nothing to do with the fundamental causes.

*Need of an
elastic
currency*

It is possible that the panic might have been lessened had there been a more elastic currency. Somewhat impressed by this idea, in 1908 Congress passed the Aldrich-Vreeland Act, which authorized the national banks, for a limited period, to issue emergency currency based on commercial paper and state and municipal bonds. In passing this act Congress incorporated a section providing for the

creation of a National Monetary Commission to study the banking and currency systems of the world. The report of this commission in 1912 was to provide the basis for the establishment of the Federal Reserve System.

CONSERVATION

In his first message to Congress in December, 1901, Roosevelt expressed the conviction that "the forest and water problems are perhaps the most vital internal problems of the United States," and he urged that a comprehensive program for the preservation and reclamation of the natural resources of the country be adopted. From the long-time viewpoint the President was stating the truth. The size of the public domain of about 600,000,000 acres of land—an area nearly as large as that part of the original United States east of the Mississippi—was impressive on paper; but much was mountainous or semiarid land which could not be farmed without irrigation. All the farm lands in the area of plentiful rainfall were being eroded, and in the South, where rainfall was excessive and there was little snow or ice to check erosion in the winter, the soil was being washed off at a terrifying rate. Of the original stand of timber estimated at about 800,000,000 acres, only about one fourth remained in 1900, and three fourths of this was in private hands. As a result of denuding the forests and the erosion that followed, the once beautiful, navigable streams were so badly silted and filled with sandbars that they were unable in times of excessive rains to carry off the water, with the result that floods were ever on the increase. Of course, navigation was becoming more and more difficult and uncertain. Water-power sites were being rapidly taken up under franchises for which the power companies paid little, but which, under the inviolability of contracts so carefully guarded by the United States Supreme Court, ran in perpetuity. Much of the natural mineral resources such as coal, iron, copper, lead, oil, gas, and sulphur had fallen into the hands of the great industrial organizations and railroads, and were being ruinously exploited with an eye on the profits of today and no thought of the needs of tomorrow.

The President, who became a crusader for conservation, was not a pioneer in the field, just as he had not been in that of trust and railway regulation. Gifford Pinchot of the Division of Forestry in the Department of the Interior, Francis G. Newlands, Congressman from Nevada, and Robert La Follette who, as governor of Wisconsin and then as Senator, had fought the lumber and railroad barons of his state, were three outstanding and powerful advocates of conservation before Roosevelt took the lead in the fight. But

The general problem of conservation

Roosevelt assumes the leadership in the conservation movement

*Roosevelt's
withdrawal
of public
lands from
sale*

conservation would not have made any appreciable advance had McKinley lived or had Roosevelt not taken up the cause with his accustomed enthusiasm and ability to popularize and dramatize.

Roosevelt wasted no time in putting into operation whatever conservation laws already existed and in pushing others that were needed through Congress; nor was he hesitant in using his executive authority where the law was inadequate to meet the needs of the situation. He promptly began the withdrawal of timber lands from sale under the Forest Reserve Act of 1891, and before the end of his second administration he had thus set aside in national forests nearly 150,000,000 acres. In addition to this he withdrew by executive order about 85,000,000 acres of coal and phosphate lands and 1,500,000 acres for power and irrigation dams. In order to conserve the forests more effectively, the President, with the permission of Congress, transferred the Division of Forestry—later called the Bureau of Forestry—to the Department of Agriculture along with Gifford Pinchot, its head.

*Irrigation:
The Reclama-
tion Act of
1902*

The President very early turned his attention to the reclamation measures which had been consistently urged upon Congress by members from the semiarid states of the West, especially by Francis G. Newlands of Nevada. With Roosevelt's strong backing the Reclamation Act, usually called the Newlands Act, was passed through Congress in 1902. The Eastern Republicans and many Eastern Democrats were opposed to this measure on the alleged ground that it was socialistic, but on the actual ground that the great corporations for whom so many spoke would have one avenue of exploitation cut off. For years Newlands had studied the problem of irrigating the arid West. He estimated that between 50,000,000 and 100,000,000 acres of fertile desert lands could be eventually irrigated and brought under cultivation by the construction of dams on the upper reaches of the streams, which would impound the water coming from the melting of the winter's snow and the spring rains. The law as enacted set aside all money from the sale of public land in sixteen Western states, for the purpose of constructing dams, canals, tunnels, and ditches for conveying the impounded water to the fields. The cost per acre—estimated at about thirty dollars—of constructing the irrigation ditches would be assessed against the purchaser. All funds paid in this fashion by the settler and all that were collected from the sale of public lands in the West were placed in a revolving fund for the construction of more dams and irrigation facilities.

In 1908 the Reclamation Service was established with F. H.

Newell, hydraulic engineer and conservationist, at its head. Before Roosevelt left office great progress had already been made in the construction of dams for impounding the water for irrigation; and in 1911 the ex-President had the pleasure of opening the great Roosevelt Dam. Other huge dams such as the Grand Coulee on the Columbia River and Boulder Dam on the Colorado have been constructed under the terms of the Reclamation Act of 1902 and its amendments, and millions of acres of rich land have been brought under cultivation.

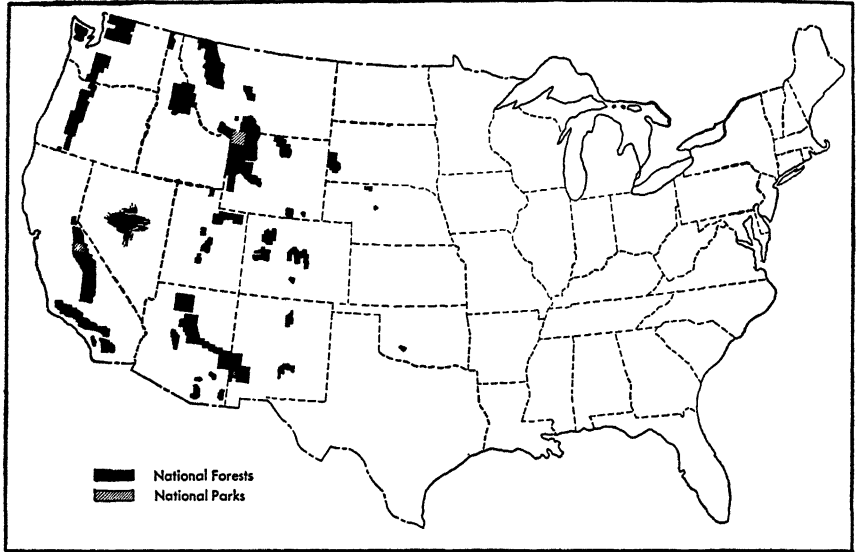
Some examples of reclamation: The Roosevelt, Grand Coulee, and Boulder Dams

One important source of opposition to the Reclamation Act and other conservation measures was, of course, the hydroelectric power companies; and the Bureau of Corporations was used by the President as it was in the case of the Packing Houses and the Standard Oil Company as a weapon to break down opposition. By its investigations it was able to show how rapidly the power companies were gaining control of the choicest sites for dams; and this revelation rallied public opinion behind Roosevelt's policy of leasing rather than selling the sites for power dams.

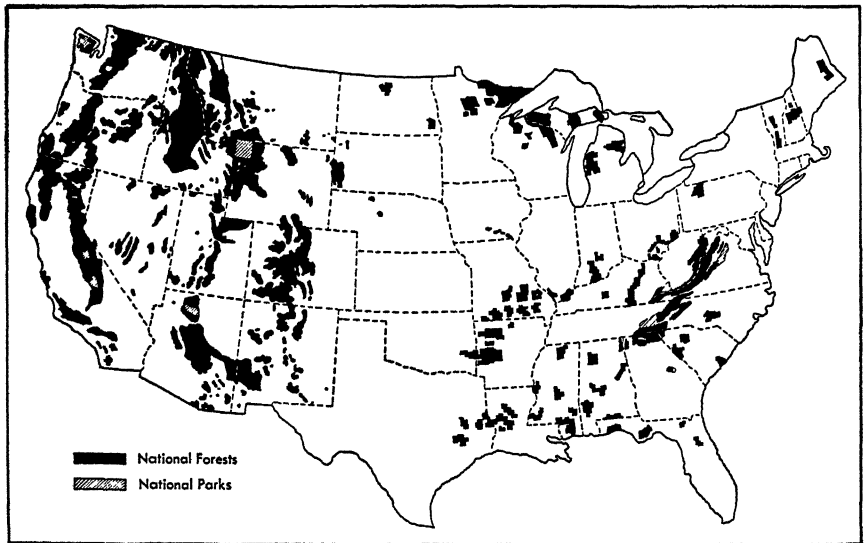
Opposition by the power companies

The impounding of water for irrigation or hydroelectric power by the construction of high dams, the silting up of streams as a result of the erosion that accompanied deforestation, and the fact that many navigable streams lay wholly within one state and were not subject to Federal jurisdiction, presented serious obstacles to water transportation. They pointed up the necessity of dealing with all the problems of conservation—irrigation, forests, mineral resources, and power sites—as a single unit. In 1907 Roosevelt, in accordance with this conception of the problem of conservation, appointed the Inland Waterways Commission to study these inter-related problems. After a general examination of the many-sided aspect of conservation the Commission recommended, among other things, that the President call a conference composed of representatives of every section of the country. The result was the governors conference at Washington in May, 1908, to which the governors of all the states, the justices of the Supreme Court, members of Congress, and eminent scientists were invited. It was a very distinguished gathering and served the purpose both of advertising the importance of conservation and of obtaining the co-operation of the state governments. The governors in forty states immediately appointed state commissions to study the problem of conservation in each particular state, and President Roosevelt appointed a National Conservation Commission to continue the work already initiated by the Bureau of Corporations, the Inland Waterways Commission, and the Forestry Bureau. In this way Roosevelt

Conservation, a nationwide problem to be dealt with as a unit



NATIONAL FORESTS—1900.



NATIONAL FORESTS—1940.

further educated the American public in the necessity of conservation of the natural resources of the country.

THE LOCAL PROGRESSIVE MOVEMENT

Roosevelt's achievements in securing regulatory legislation for corporations and in adjusting the differences between operators and miners in the coal strike were based on a philosophy of the functions of government which was completely opposed to the doctrine of *laissez faire* held by both Republicans and old-line Democrats. This philosophy of government was, as previously observed, derived from the Alliances and Populists and from the progressive movement in the states and municipalities during Roosevelt's two administrations.

The progressive movement was of great importance because of its immediate bearing on the policies of the national government under Roosevelt and his two successors. There were progressives of both parties in all states and localities, but the Republican Party supplied the most effective leaders in local politics such as Robert La Follette of Wisconsin, Hiram Johnson of California, and Charles Evans Hughes of New York. In addition to cleaning up local graft, many fundamental reforms in state and municipal governments were effected during the Roosevelt era and that of his two successors. The most important of these were the initiative, referendum, and recall, the direct primary, and the direct election of Senators.

*The local
progressive
movement
has immediate
bearing on
national
policies*

The initiative, referendum, and recall were devices by which the people might go over the heads of legislatures and governors to obtain legislation and get rid of objectionable officials. Laws could be initiated by petition and the legislature was compelled to consider them; and in a like fashion bills which the legislature failed or refused to pass, or laws that it had enacted, could be referred to the people for decision. The initiative and referendum were adopted first in South Dakota in 1898, and within a little more than ten years a score of states, chiefly in the West, had adopted these twin measures. Some of the states adopted the recall by which a certain percentage of the voters, by petition, could compel a state official to resign or stand for re-election.

*The initiative,
referendum,
and recall*

The direct primary, which was a system of nominating by popular ballot rather than by the convention system, was aimed directly at ridding the states and cities of boss rule, but it has thus far fallen short of its aim. The delegates to the party nominating conventions were, before the adoption of the direct primary, elected by caucuses composed of only a fraction of voters, usually the state and local officeholders and members of the party machine. The

*The direct
primary*

direct primary gave all members of the party a right to vote on the selection of a nominee and thus made it possible to overthrow boss rule by a sufficient number of interested citizens voting. Under the leadership of Governor LaFollette, Wisconsin passed a direct primary law in 1903 requiring political parties to nominate their candidates by ballot, and within a few years most of the states had adopted the system.

*The direct
election of
Senators*

The direct election of Senators was effected by the states long before the adoption of the Seventeenth Amendment of the Federal Constitution in 1913. This was done by holding primaries in which the voters expressed their preferences for United States Senators. Of course the state legislatures had no obligation under the Federal Constitution to support the person designated by the preferential primary; but the political fortunes of the members might act as a restraining influence for those who desired to oppose the popular mandate. In the Southern states, where the Democratic Party controlled the legislature, and in certain Northern states, where the Republicans held similar sway, the preferential primary in actual fact amounted to an election. This method of choosing Senators was cumbersome and not at all dependable where the political parties were evenly divided; and there began a strong agitation for a constitutional amendment requiring direct election. The Alliance and Populist platforms, it will be recalled, strongly advocated the direct election of Senators, and when the Seventeenth Amendment finally passed Congress in 1912 and was ratified the next year, this demand was realized.

*Social
legislation*

These political reforms, designed in the interest of democracy, soon resulted in extensive social legislation which had been so long demanded but which had been defeated by the vested interests acting through the political machines. Of first importance was the labor legislation enacted eventually in most of the states, which was similar in character to the factory and mine laws passed in Great Britain fifty to seventy years before. The employment of children under fourteen years of age in factories was forbidden, and school attendance was made compulsory on children thus banned from factory work. The maximum number of work hours for women and children was prescribed; and employers were made liable for injuries received by employees while at work. More controversial as to value because of the promotion of bootlegging and underworld organizations was the series of state laws prohibiting the sale of alcoholic beverages. The prohibition movement dated back to antebellum days; but its greatest effectiveness came after the organization of the Anti-Saloon League in 1893, when state after state

adopted local option or state-wide prohibition. The movement finally culminated in the passage of the Eighteenth Amendment to the Federal Constitution to be discussed later.

These and many other social and political reforms had their inception in the Roosevelt era. They were frequently crude and ineffective and sometimes, as in the case of the recall of judicial decisions, not in harmony with the principles of American constitutional government. Most of them, however, were aimed at a more effective democracy and the attainment of social justice, and all were expressions of a philosophy that repudiated the doctrine of *laissez faire* or the negative function of government, and conceived of government as a positive instrument to be used, within constitutional limits, for the promotion of the public interests.



From the Herald (Syracuse)

PASSING ON THE TORCH.

"Let at least the satisfaction be ours that we have carried onward the lighted torch in our own day and generation. If we do this, then as our eyes close, and we go into the darkness, and other hands grasp the torch, at least we can say that our part has been borne well and valiantly."—From Roosevelt's Lecture at Oxford.

CHAPTER XXI

Taft and the Roosevelt Policies

THE CAMPAIGN OF 1908

*Roosevelt
not a
candidate for
renomination*

ROOSEVELT could easily have won the nomination of his party in 1908 if he had been willing to accept it; but his decision against a third term, announced immediately after the election of 1904, had not been changed. He was eager, however, to secure the nomination of a candidate who, if elected, would carry out his policies. The conservative wing of the party was also trying to name the candidate. If it should succeed, the reforms begun by him might be sidetracked. The list of conservatives who were seeking the nomination included Vice-President Fairbanks, Senator Foraker of Ohio, and Speaker Cannon. None of these could be counted on to support the Roosevelt program.

In the liberal or progressive group there were several outstanding possibilities. Prominent among these was Charles E. Hughes, an able lawyer who had scored a great success in investigating the irregularities of the New York insurance companies. As Governor of New York he had also carried through some measures that were very acceptable to the liberals. Roosevelt, however, did not look with favor on his candidacy for the Presidency, considering him too uncompromising and unyielding for success in the game of practical politics. Besides, there were two members of the Cabinet who were of Presidential size and either of them would in the opinion of Roosevelt make a good President. These were Elihu Root and William Howard Taft.

*Taft
selected by
Roosevelt as
his successor*

Root, who had served in the Cabinet, first as Secretary of War and then as Secretary of State, would have been Roosevelt's first choice for the succession but for the fact that his association with corporations—some of which Roosevelt had been fighting—had greatly weakened if not destroyed his availability as a Presidential candidate. There was nothing, however, to mar the availability of Taft, the Secretary of War. He had had considerable experience in public affairs and had won distinction in the performance of his official duties. He had ardently supported Roosevelt's reform program and was on cordial relations with the President. Moreover, as Federal judge he had given opinions which were acceptable to

the conservative wing of the party. Taft was also genial and likable and was blessed with exceptional good nature, which was nourished by a healthy body weighing three hundred and fifty pounds.

Having decided in favor of Taft, Roosevelt left no stone unturned to bring about his nomination. When the Republican convention met in Chicago on June 16, 1908, the nomination of Taft was practically assured. The President had used his power over the patronage in the interest of his protégé, an aid which had proved especially effective with the Southern delegates. Accordingly, Taft was nominated on the first ballot, although seven other candidates received votes. As a sop to the conservatives, James S. Sherman of New York was selected for the Vice-Presidency.

*Taft and
Sherman
nominated*

The Democratic Party had been under conservative leadership in the campaign of 1904. According to Bryan and his friends, the bad defeat of that year was due to this conservative attitude. It was natural, therefore, that in the next campaign there should be a swing toward the left. Since Bryan had been the outstanding leader of the liberal element in the party all along, he was now hailed as the logical standard-bearer. When the Democrats assembled at Denver in July, 1908, Bryan's supporters were therefore in easy control of the convention, and, despite the opposition of the conservatives, he was nominated on the first ballot by an overwhelming majority. John W. Kern of Indiana was chosen for second place.

*Bryan and
Kern nomi-
nated by the
Democrats*

The Republican platform gave unstinted praise to Roosevelt's "great achievements" and declared in favor of a continuation of his program for the conservation of natural resources and the reclamation of arid lands. It also advocated tariff revision. Such duties were to be imposed as would "equal the difference between the cost of production at home and abroad together with a reasonable profit to American industries." There was also a promise of a more strict regulation of monopolies and a more rigid supervision of railroads by the Interstate Commerce Commission. The knotty problem of the use of injunctions in labor disputes was vaguely referred to in a statement to the effect that there should be a more accurate definition of the rules governing the issuance of injunctions by Federal courts.

*The Re-
publican
platform*

The Democrats declared in their platform that the overwhelming issue was "Shall the people rule?" They contended that popular government had been jeopardized by Roosevelt's selection of his successor, Speaker Cannon's control of the House of Representatives, and the hold that big business had secured on the government under Republican rule. There was also a clear commitment in favor of a reduction of the tariff rates, of an effective restraint on

*The Demo-
cratic plat-
form*

injunctions issued by the Federal courts, and of the destruction of monopolies.

*Character
of the
campaign*

The campaign was less exciting than is usual with Presidential elections, although both Bryan and Taft made extensive speaking tours. The progressive Republicans were not enthusiastic as to Taft since they did not feel sure that he would give wholehearted support to the Roosevelt program. However, Roosevelt's approval had stamped him as a liberal, and the conservative trend of his decisions as judge furnished a guaranty against radicalism. He thus had two strings to his bow, and his friends were able to present him as a progressive in the West and a conservative in the East. By persistent hammering on the tariff issue Bryan was able to maneuver Taft into a promise of downward revision of the tariff. Samuel Gompers, President of the American Federation of Labor, endorsed Bryan because of the stand of the Democrats in opposition to the use of injunctions in labor disputes. Despite an earnest effort on the part of himself and his supporters, Bryan again went down in defeat. Taft received 321 electoral votes to 162 for Bryan. The latter carried the "Solid South," two border states (Kentucky and Tennessee), and three western states (Nebraska, Colorado, and Nevada). His popular vote, although smaller than in 1896, was nearly a million and a third in excess of that received by Parker in 1904. There were several minor parties in the field, but none of them except the Socialist showed any considerable strength. The Socialist candidate, Eugene Debs, received 420,890 votes. This campaign proved to be the death knell of the Populist Party, for their candidate, Thomas E. Watson of Georgia, polled less than thirty thousand votes. This poor showing was due to the fact that in building their platforms, the Democrats and Republicans had used most of the planks of the original Populist platform. The Populists therefore had few distinctive principles of importance on which to stand.

*The accession
of Taft*

When Taft took up the mantle dropped by Roosevelt it was generally expected that the policy of the latter would be continued by his successor. Yet the differences in temperament and the divergencies of views of the two men warranted considerable skepticism as to the realization of this hope. Taft's high regard for the law and his reverence for the rights of property, together with his dislike of controversy, were not the kind of qualities most needed in carrying out the reforms inaugurated by the pugnacious Rough Rider. Furthermore, to leave him unhampered, Roosevelt soon left for the wilds of Africa, where he hunted big game for a year. Being thus deprived of the inspiration that had come to him from the crusading zeal of his mentor, Taft to some extent lapsed uncon-

sciously into his natural conservatism. It may be too that he felt that the country needed a vacation after seven strenuous years of agitation. Even so, the new President sponsored a number of reforms—more than he was given credit for by his critics.

In selecting his Cabinet Taft showed his high regard for the legal profession by giving six positions to lawyers. He felt that the chief function of his administration would be “to complete and perfect the machinery” of reform. To do this it would be necessary for him to lean heavily on the advice of legal experts. Two of these lawyers were assigned to the important departments of State and Justice. For Secretary of State he chose Philander C. Knox, a Senator from Pennsylvania, who had at one time been Attorney General under Roosevelt. For the post of Attorney General he selected George W. Wickersham, an able lawyer of New York.¹ This was a wise choice since the President would need a capable corporation lawyer to execute his program for the prosecution of the trusts.



Courtesy of Brown Brothers

WILLIAM H. TAFT.

The Cabinet

DISSENSION IN THE REPUBLICAN RANKS

At Taft's accession the Republican party was divided into two groups, the progressives and the conservatives. (The latter were often called “standpatters” or the “Old Guard.”) By avoiding the tariff question and other controversial issues, Roosevelt had been reasonably successful in inducing the two groups to pull together as a single team. But even Roosevelt, with all his skill as a political leader, was unable to keep the Old Guard in line with his policies at the end of his term. From the outset, therefore, Taft was con-

*Conserva-
tives and
progressives*

¹ The other members of the Cabinet were: Franklin MacVeagh of Illinois, Secretary of the Treasury; Jacob M. Dickinson of Tennessee, Secretary of War; Frank H. Hitchcock of Massachusetts, Postmaster General; George von L. Meyer of Massachusetts, Secretary of the Navy; Richard A. Ballinger of Washington, Secretary of the Interior; James Wilson of Iowa, Secretary of Agriculture; and Charles Nagel of Missouri, Secretary of Commerce and Labor. Meyer had been Postmaster General and Wilson Secretary of Agriculture under Roosevelt.

fronted with a difficult problem. If his program was to be realized, issues would have to be raised on which the progressives and conservatives would not be in agreement. To win support from both groups sufficient to insure the success of his proposals would require a type of leadership which the new President did not possess. His stubborn honesty and other noble traits of character did not atone for his ineptitude as a politician, which caused him more than once to muffle a situation of important political significance. He was given to untimely utterances or to the use of phrases that could easily be wrested into a meaning not intended. In this way he sometimes played clumsily into the hand of his opponents, who were quick to take advantage of his mistakes. Since he was forced to choose between the two factions, he was inclined to make a strong bid for the support of the conservatives, being convinced that their support would be necessary for the success of his measures. Such a stand, however, would alienate the progressives, who were earnest advocates of the Roosevelt policies, which Taft also was anxious to put into effect.

*The Payne-
Aldrich Act*

The first important problem with which the new incumbent had to grapple was the tariff. No change in the tariff rates had been made since 1897, and in recent years a good deal of dissatisfaction had arisen over the steep rates of the Dingley Act, which was held partially responsible for the high cost of living and the rapid growth of trusts. Opposition was especially strong in the agricultural Middle West. This section felt that the high tariff was not only forcing high prices on consumers but, by restricting trade with foreign nations, was hampering the export of farm products and thereby reducing their prices. Acting promptly on the pledge of his party to revise the tariff, Taft called Congress in extra session (March, 1909) and the tariff question was taken up immediately. The Ways and Means Committee of the House of Representatives, under the leadership of Sereno E. Payne of New York, had been conducting hearings during the previous winter and was therefore ready to present a tariff bill. This bill with only slight modification passed the House on April 9. Although it had been framed on data received only from interested manufacturers, it provided for an important, although not a drastic, reduction in rates.

Going to the Senate, the bill was referred to the Finance Committee, of which Nelson W. Aldrich of Rhode Island was chairman. Aldrich had strong protectionist leanings and under his leadership the Senate made 847 changes in the bill, most of which raised the rates above those fixed by the House. The differences between the House and Senate bills were ironed out in a conference com-

mittee which had been packed with ardent advocates of protection. Accordingly, the measure as finally passed represented a victory for Senator Aldrich. The increases were strongly opposed by a group of progressive Republican Senators from the Middle West, including Robert M. La Follette of Wisconsin, Albert B. Cummins of Iowa, Albert J. Beveridge of Indiana, and Jonathan B. Dolliver of Iowa. They carried on a vigorous but ineffective speaking campaign against the Senate revisions and were a thorn in the side of Aldrich and the other high-tariff advocates. Seven of them voted with the Democrats against the Payne-Aldrich Bill in its final passage.

Since the effect of the various increases and decreases in rates is so hard to estimate, it is virtually impossible to say with certainty whether the act, in its final form, raised or lowered the tariff. According to a high authority on tariff history, the "act as finally passed brought no real breach in the tariff wall, and no downward revision of any serious consequence."¹ Most of the reductions were on articles that needed no protection or would not be affected by the tariff. In some instances increases were concealed behind a vague phraseology that was difficult to understand, or by changes from *ad valorem* to specific rates. Some of these "jokers" contained favors to individual manufacturers. The most objectionable feature of the bill was the retention, with only slight changes, of the high duty on raw wool and woolen cloth. The woolen manufacturers were making profits as high as fifty per cent and there was no reason for continuing the high rates for their benefit.

There was a clause directing the President to raise the rates by twenty-five per cent of the value of the goods imported from countries that "unduly discriminate" against the United States. A tariff board was provided which was to make investigations and determine as to foreign discriminations. Taft took advantage of this authority by using the board as a sort of tariff commission to gather information about the tariff in general. This tariff board proved to be short-lived, for in December, 1912, the Democratic House refused to vote the appropriation for its continuance. The law included a tax of one per cent on the net profits of corporations in excess of five thousand dollars.

Although Taft was in favor of revision downward (in accordance with his campaign pledge), he made no serious effort except in private to influence the action of Congress while the measure was being debated. If he had used his power over the patronage as a club he might have coerced recalcitrant congressmen into support

¹ F. W. Taussig, *The Tariff History of the United States* (5th ed.) (G. P. Putnam's Sons), 408.

of downward revision. He considered, however, that the President had only the power of recommending legislation and of accepting or vetoing bills, but not that of influencing discussion. Furthermore, he was afraid that his interference would cause him to lose the support of the conservative Republican majority. He did, however, while the bill was in conference, make a last-minute fight for a lowering of rates. As a result of this effort he secured a few concessions in favor of downward revision. It was due to his insistence that hides were placed on the free list and a tax was put on the incomes of corporations.

The President signed the bill (August 9, 1909) although he was not satisfied with it. Especially objectionable to him was the retention of the high duties on wool and woolens. However, he regarded the act as a sincere effort at revision, and feared that a veto of the measure would divide the Republican Party. The progressive Republicans were disappointed at his attitude and this dissatisfaction was aggravated by a speech made by Taft at Winona, Minnesota, in which he defended the Payne-Aldrich Act as the best tariff law ever passed by the Republican Party. The disagreement over the tariff more clearly defined the line of separation between progressives and conservatives. This breach had now widened to the point at which the progressives had become insurgents and were so known.

*The Sixteenth
Amendment*

During the fight over the tariff the progressives and the Democrats had agreed to support a proposal for a general income tax as an amendment to the Payne-Aldrich Bill. Taft had no objection in principle to this method of raising revenue, but was opposed to the amendment since the Supreme Court had declared an income tax unconstitutional. As a substitute for the Democratic-progressive proposal he suggested that Congress propose an amendment to the Constitution which would authorize the enactment of an income tax. Aldrich and the other conservative leaders did not want such an amendment but were frightened into supporting it by the proposal of the Democrats and Insurgents. Congress, therefore, voted to submit the suggested income amendment to the states (July, 1909). By February 25, 1913, it had been ratified by the required number of state legislatures and was proclaimed a part of the Constitution as the Sixteenth Amendment. It authorizes the levying of a Federal income tax without apportioning it among the states according to population, as was required originally by the Constitution.

*The Seventeenth
Amendment*

In 1912 Congress proposed another amendment to the Constitution, which provided for the election of United States Senators by popular vote. This amendment was ratified and went into effect

in 1913, but not until after Taft's successor had come into office.

James R. Garfield, Secretary of the Interior under Roosevelt, was in entire accord with the policy of conservation advocated by Pinchot and Roosevelt (see pp. 411 ff.). Taft had not retained Garfield in the Cabinet but had put in his place R. A. Ballinger of Washington. Ballinger had also made a good record in favor of conservation as commissioner of the Land Office under Garfield, but Roosevelt was disgruntled because Garfield was not retained, declaring later that Taft had promised to continue him in this position. This was one of the minor causes of the breach between Taft and Roosevelt. Secretary Garfield had withdrawn from public entry some lands in Wyoming and Montana on or near which were possible water-power sites. Believing that this action was not legal, Ballinger had restored this land to public entry, thereby making it possible for it to pass into private ownership. Pinchot, head of the Forestry Division in the Department of Agriculture, was strongly opposed to this policy, feeling that conservation was so important that the law should be stretched to cover it. Ballinger also aroused the opposition of Louis Glavis, one of his subordinates, by turning over to a private corporation some coal lands in Alaska. Glavis contended that this was an unwarranted transfer and was based in part on claims that were invalid. Pinchot became deeply involved in the controversy by writing to Senator Dolliver against Ballinger and in support of Glavis.

The Ballinger-Pinchot controversy

Ballinger made an elaborate defense of his action. After a careful study of the documents, Taft came to the conclusion that there was nothing in the charges upon which Ballinger "could be found guilty of either incompetency, inefficiency, disloyalty to the interests of the government, or dishonesty." Accordingly, he dismissed Glavis and afterward removed Pinchot. By so doing Taft widened the breach between himself and the progressive Republicans, who generally sided with Pinchot and felt that the President was not a friend of conservation. To relieve his chief of embarrassment Ballinger later resigned from the Cabinet (March 6, 1911). The case was investigated by a committee of Congress but with unsatisfactory results. The majority of the committee, including the regular Republican members, exonerated Ballinger; a minority, made up of Insurgent Republicans and Democrats, declared against him.¹

In their contest with the conservative wing of their party the

¹ Taft's biographer (H. F. Pringle) discusses this controversy at great length. By going through this long and rather involved account the reader gets the impression that Ballinger was unfairly dealt with—that the whole difficulty arose from a difference of opinion as to legal authority. Taft and Ballinger felt that administrative officials could take action only when authorized by an act of Congress; Roosevelt and

*The Speakership
contest:
Power of the
Speaker*

Insurgent Republicans soon learned that by co-operating with the Democrats the two groups could control Congress. They made full use of this power in their effort to deprive the Speaker of the House of the quasi-dictatorial power which he for some time had been wielding over that body. The Speaker appointed a majority of the members of all committees, including that of the important Rules Committee. This latter committee, with a membership of only five, was dominated by the Speaker. Since it interpreted the rules, it had virtual control over procedure, and the Speaker could determine whether a measure could or could not come to a vote. No member of the House could speak on the floor unless the Speaker chose to recognize him. Nor did the Speaker fail to take advantage of this autocratic power.

*"Uncle Joe"
Cannon*

At this time the Speaker of the House was Joseph G. Cannon of Ohio ("Uncle Joe," as he was generally called). In his case there was added to the authority conferred by his position the influence exerted by a vigorous personality. He was an exceptionally shrewd politician and a good campaigner. In his campaigns he affected a rural simplicity and even a bucolic crudity which he discarded as Speaker. A cynical realist, he was conservative to the point of being reactionary and he regarded most innovations in government as either unnecessary or harmful. He felt that the welfare of the country was bound up with the supremacy of the Republican Party and that strict party discipline was necessary if the party was to perform its most effective service. He therefore used his great power in promoting conservative policies and in strengthening the hold of his party on the country.

Feeling that "Uncle Joe" was wielding his influence in support of the interests, the Insurgents and Democrats made a vigorous fight

Pinchot inclined to the view that the executive could act for the public good in all cases except those in which there was a specific prohibition by law. Ballinger was in favor of conservation but felt that he was compelled by the law to take the action he did. Pringle thinks that the Secretary of the Interior was held up before the public in a false light by certain journalists who, in their propaganda against him, made extravagant use of inaccurate and false statements. A decade later (1921) Alexander Vogelsang, who had been Assistant Secretary of the Interior under Wilson, wrote to Ballinger that, as a result of his experience in the department and his study and investigation, he had come to "believe that you were an able administrator and as honest in impulse and action as any man who has ever held the office of Secretary of the Interior; and that in the history of the Republic the highwater mark of cruelty and injustice to a public officer was reached in the treatment accorded to you." See H. F. Pringle, *The Life and Times of William Howard Taft* (Farrar and Rinehart), I, 470-514.

A view not so favorable to Ballinger is expressed by George E. Mowry, who contends that Ballinger was not in favor of conservation but of a liberal policy in granting public lands to individuals. See George E. Mowry, *Theodore Roosevelt and the Progressive Movement*. The University of Wisconsin Press (1946), 75 ff.

to pare down his authority. They were able to put through the House a resolution offered by George W. Norris of Nebraska to have the Rules Committee selected by the whole House instead of by the Speaker (March, 1910). Cannon recognized the passage of this resolution as a serious defeat and suggested that the Speaker's chair be declared vacant and a new incumbent be chosen. The reformers were not willing to go so far at this time and a motion in line with his suggestion was lost. The change was, however, a decided victory for the Insurgents. Taft did not like Cannon and did not want him as Speaker. Not only did he object to his extreme conservatism, but he felt that his vulgar crudities, including the free use of profanity, were detracting from the dignity of his high position. As President-elect he was at first inclined to fight Cannon, but was advised against doing so by Root and Roosevelt. They convinced Taft that owing to Cannon's hold on the party the Presidential program would be seriously jeopardized if "Uncle Joe" were alienated. Taft therefore gave no aid to the Insurgents in their fight. Consequently, their victory enhanced their prestige and lowered that of the President. The next House, being under the control of the Democrats, went still further in the revision of the rules. Under the practice now adopted the Speaker was deprived of the right to select the other committees, the members of which were to be chosen by the Ways and Means Committee, with the approval of the whole House. After these changes were made the House ceased to be under the domination of its presiding officer.

*Change in
the rules
of the House*

In the election of 1910 the people had their first opportunity to pass upon the record so far made by Taft and the Republican Party and the verdict was against both. In the meantime Roosevelt had returned from his long hunt in Africa. In March, 1910, he arrived at Khartum in Egypt to enter upon a historic journey which carried him through most of the leading countries of Europe. During his travels through Europe he was received with a welcome by rulers and the people the like of which few Americans have ever known. When his ship docked in New York harbor (June 18, 1910) he was greeted with an ovation which would have turned the head of a smaller man. It would have been better for his later success in politics if he had kept this prestige in reserve for future use. But to keep quiet when public issues of importance were being agitated required a degree of self-restraint which could hardly be expected of the strenuous ex-President. Accordingly, he was drawn into the maelstrom and took an active part in the campaign of 1910. Consequently, the result of the election was a defeat for him as well as

*The election
of 1910*

for Taft. The Democrats won a decisive victory over the Republicans, electing 223 members of the House of Representatives to 168 Republicans. One Socialist, Victor L. Berger of Wisconsin, was elected. The Democrats also gained eight seats in the Senate. The Republicans still held a majority in this house, the proportion being 51 Republicans to 41 Democrats. Of those who bore the Republican label, however, a dozen or more were Insurgents. These, together with the Democrats, constituted a majority and by voting together they could control the Senate. This victory enabled the Democrats to organize the House of Representatives in the next Congress with Champ Clark of Missouri as Speaker and Oscar W. Underwood of Alabama as chairman of the Ways and Means Committee. The Democrats also elected 26 governors of states, one of whom was Woodrow Wilson, chosen Governor of New Jersey.

*Canadian
reciprocity*

As a concession to the demand for a downward revision of the tariff, Taft negotiated a treaty of reciprocity with Canada. By this treaty (signed January 7, 1911) the tariff was lowered on more than four hundred articles coming in from Canada and was entirely removed on about one hundred others. Lumber, wood pulp, wheat and some other agricultural products, and a few raw materials were admitted into both countries free of duty. Since the treaty involved taxation, it had to be ratified by both the House and the Senate. The agreement would have been an important step toward free trade with Canada, and the Democrats considered it in line with their demand for a reduction of the tariff. The Democratic House therefore gave the treaty its endorsement. There was considerable opposition to it in the Senate, but Taft finally secured its acceptance (July, 1911). For this favorable action the Democrats were entitled to the chief credit although they were aided by a few outstanding leaders among the standpatters. On the other hand, about a dozen of the Insurgent Republicans from the Middle West voted against the treaty, chiefly on the ground that the admission of free agricultural commodities would be against the interest of their farmer constituents.

The treaty had a still more difficult hurdle to surmount—that of winning the acceptance of the Canadian government. There was opposition to it in Canada by the manufacturing interests who saw in the agreement a lowering of the protectionist bars. But the chief objection came from the people, who feared that reciprocity would be the first step toward annexation. Ground for this apprehension was given by an indiscreet phrase thoughtlessly used by Taft in one of his speeches and by an unwise utterance made by Speaker

Clark in the House of Representatives.¹ The Canadian government, now in the hands of the Liberal party, with the aged Sir Wilfrid Laurier as premier, was favorable to the treaty; but the opposition was so strong that Sir Wilfrid dissolved Parliament and submitted the question to a vote of the people. In the election (held September 21, 1911) the vote was overwhelmingly against the treaty; so reciprocity with Canada was finally lost.²

TAFT'S ACHIEVEMENTS

The role that Taft was called on to play—that of carrying forward reforms that had been started by another—did not make a dramatic appeal to the public. Furthermore, he did not know how to publicize his achievements and present them in the most favorable light. Then, too, while his fine qualities won the esteem and affection of the people, they did not command that aggressive admiration and loyalty which the colorful personality of Roosevelt was able to inspire. Taft therefore did not get full credit for the reforms that he secured. Especially unfair was the general appraisal of his attitude toward conservation; for he was not only a firm advocate of the conservation of our natural resources and the reclamation of arid lands, but he was able to secure important legislation in furtherance of these aims. At his request Congress set aside as a part of the public domain large areas of coal lands in Alaska, thus removing all doubt as to the legality of withdrawing them from private entry. For the first time, oil lands were also set aside for public use. Congress authorized a loan of \$20,000,000 to be used in promoting irrigation projects. The President appointed, as Pinchot's successor, Henry S. Graves of the Yale School of Forestry, who was earnest and energetic in carrying out the policy of conservation. Under his direction the area of national forests was greatly increased by the purchase of wooded lands in the Appalachian region.

*Conservation
promoted*

¹ Speaking in favor of the treaty (February 14, 1911), Clark said that he favored reciprocity because he hoped "to see the day when the American flag will float over every square foot of the British North American possessions clear to the North Pole." H. F. Pringle, *op. cit.*, II, 589.

² The effort toward lowering the tariff did not cease with the failure of Canadian reciprocity. The Democrats were able to get several tariff bills through the House of Representatives. One of these made drastic reductions in the duties on wool and woollens; another abolished or reduced duties on certain commodities used by farmers; and another greatly lowered the duties on cotton goods. By the aid of the Insurgents some of these measures were passed in modified form by the Senate, but all of them were either smothered in conference committee or vetoed by the President. He contended that business should not be disturbed by piecemeal revision of the tariff; that changes in the rates should be made only when there was a general overhauling of the tariff; and that these changes should be based on recommendations made by the tariff commission after careful study. The soundness of this reasoning did not disturb the supporters of these "popgun" bills, which had been offered mainly to force unpopular vetoes upon the President.

The Mann-Elkins Act

One of the reforms favored by Roosevelt which called for additional legislation was that of regulating railroad rates. The Hepburn Act (passed in 1906) had increased the power of the Interstate Commerce Commission over railroads but had not gone far enough. Under this act if carriers objected to the rates fixed by the Commission they could, by court injunctions, suspend their operation pending a final decision by the courts. Taft recommended a more effective regulation of railroad rates. The Insurgents favored the plan and pushed through a bill—the Mann-Elkins Act—which went beyond the President's proposals. The act (signed in June, 1910) authorized the Interstate Commerce Commission to act on its own initiative in investigating rates. Any increase in rates made by the carriers could be suspended by the Commission until the courts had decided as to its reasonableness. The regulation of telephone, telegraph, and radio transmission was also placed under the Interstate Commerce Commission. To prevent long delays in judicial decisions by numerous appeals, a Commerce Court was established to hear all disputes as to rates. Appeals were to go only to the Supreme Court. This new tribunal, however, was short-lived. Owing to a scandal involving one of its judges, it was abolished in 1912.

Postal savings banks and parcel post

Roosevelt had made an unsuccessful attempt to establish postal savings banks. President Taft in his inaugural address and in a special message to Congress urged this financial reform which had been promised by the Republican platform in 1908. The proposal was opposed by the banking interests, who saw in the plan government competition with private banking. They accordingly denounced it as socialism. In times of money stringency, they warned, depositors would withdraw their deposits and place them in the postal savings banks. In the panic of 1933 that prophecy proved correct; however, it is more than likely that these deposits would have been withdrawn anyhow at that time. If there had been no postal savings banks these funds in all probability would have been hoarded. Despite the opposition of the National Bankers Association, the law was passed and signed by the President (June 25, 1910). Taft considered this an important piece of forward legislation. Later a parcel post system was inaugurated (January 1, 1913).

Civil service

Taft was in favor of and recommended to Congress an extension of the civil service. Although Congress did not carry out his suggestion he put all assistant postmasters under civil service.

Arizona and New Mexico admitted as states

Another measure for which the President claimed credit was the admission of Arizona and New Mexico as states (1912). The constitution of Arizona had a provision for the recall of judges by

popular vote. Congress, acting on the recommendation of the President, held up the admission of Arizona until this objectionable clause should be removed. Arizona thereupon canceled this clause of her constitution, but after having attained statehood restored it.

At Taft's suggestion Attorney General Wickersham waged a vigorous fight on the trusts for alleged violations of the Sherman Antitrust Act. Taft was more aggressive than Roosevelt, the "trust-buster," or any of his other predecessors in enforcing the law against monopoly. Of the decisions won by Taft and Wickersham the most noted were those dissolving the Standard Oil Company of New Jersey and the American Tobacco Company, action on which had been started under Roosevelt. These were empty victories, however, for these corporations continued to dominate the business in their respective fields as fully after as before dissolution.

*Prosecution
of the
trusts*

By taking this stand against these two big corporations the Administration had aroused the antagonism of Wall Street. But it was the prosecution of the United States Steel Corporation that was fraught with the most serious consequences to Taft's political fortunes. A suit was brought (October 27, 1911) to dissolve this trust on the ground that it was a monopoly. One of the counts in the allegation was that the Steel Corporation had four years before absorbed the Tennessee Coal, Iron, and Railroad Company, which deal was a factor in forming the monopoly. This merger had been agreed to by Roosevelt, who was persuaded that the transaction by holding up the value of the stock of the Tennessee Company would aid in preventing an aggravation of the panic of 1907 and a general business crisis. In the bill of complaints of the prosecution it was stated that the Steel Corporation had secured the President's consent to the merger by misrepresentation and deception. Roosevelt bitterly resented this statement and it proved a mortal wound to the friendship between him and Taft. The breach between them had already started but had not become irreparable. Now there was no chance of reconciliation. Roosevelt in an editorial in the *Outlook* denied that any misrepresentation had been used by the Steel Corporation and emphatically declared: "I affirm everything."¹

One service performed by Taft of which he was especially proud were the changes he made in the personnel of the United States

¹ The contention of the representatives of the Steel Corporation that they had acted mainly to prevent a crisis is not sustained by the facts in the case. One of the interested parties said that the brokerage company threatened by the fall in value of the Tennessee Company's stock could have been saved by a loan of \$5,000,000. Judge Gary, a member of the committee that negotiated the purchase for \$45,000,000, at another time rated the value of the Tennessee Company at \$200,000,000. The case hung on until 1920, when the decision finally handed down was in favor of the Steel Corporation. See Pringle, *op. cit.*, II, 674-675.

*Changes in
the person-
nel of the
Supreme
Court*

Supreme Court. At the beginning of his term, four of the justices were over seventy and, according to Taft, one was deaf and another senile. During his term he was able to select five justices and a majority of the judges of the inferior Federal courts. All the new appointees to the Supreme Bench were able lawyers. Some were liberals and some were conservatives, some were Democrats and some were Republicans. By his appointments the general level of ability of the high court was raised, although its trend toward conservatism was increased. Prominent among his selections was Governor Charles Evans Hughes of New York as associate justice and the promotion of Justice Edward D. White to the chief-justiceship on the death of Chief-Justice Melville W. Fuller. White was a Democrat, a Catholic, and an ex-Confederate soldier. In making this promotion he had to pass over Justice John M. Harlan, a Republican, a Protestant, and a veteran of the Northern army. His reason for so doing was that he considered White more suitable for such a responsible position.

*Attitude of
Taft toward
labor*

Taft was never able to win the support of organized labor, and the labor unions in opposing him were following an instinct true to their own interests. His attitude toward the fundamental issues between labor and management was essentially that of a conservative. By placing too great an emphasis on the legalistic side of the contest he did not take into sufficient account the human side of the issue between labor and capital. Indeed, he never fully understood the labor situation and therefore could not properly sympathize with the demands of the workers. He did, however, make an effort to better the condition of the laborers and was able to secure some minor reforms in their favor. He urged Congress, but with no avail, to change the law so as to restrict the use of injunctions in labor disputes. At his suggestion Congress passed a bill establishing the Bureau of Mines, one important purpose of which was to save the lives of miners by investigating the causes of explosions. Other measures in behalf of labor listed by him were: "safety appliance bills to reduce the loss of life and limbs to railroad employees; . . . an employers' liability act to make easier recovery of damages by injured employees; . . . the children's bureau bill calculated to prevent children from being employed too early in factories; . . . [and] the white phosphorus match bill to stamp out the making of white phosphorus matches which results in dreadful diseases to those engaged in their manufacture."¹

Along with these acceptable measures there went one act of the

¹ Pringle, *op. cit.*, II, 621.

National Republican Progressive League (January 23, 1911) by Insurgent Republican congressmen and governors. Jonathan Bourne of Oregon was made president of the League, and a program of reform was adopted which would, it was hoped, take the government out of the hands of the privileged class and restore it to the people. The guiding spirit of the movement was Senator Robert M. La Follette, who had been a successful reform governor of Wisconsin and an aggressive leader of the Insurgents in Congress. Sentiment in his favor grew, and by the end of the year he was generally accepted by the Progressives as their candidate for the Republican nomination.

*Break be-
tween Taft
and
Roosevelt*

Early in the next year, however, La Follette's star began to wane, and his prospects were eclipsed by the decision of Roosevelt to enter the race for the nomination. As we have seen, there had been an unfortunate breach in the friendship that formerly existed between the ex-President and his protégé, the President. This unhappy estrangement was not caused by any single incident but by a combination of circumstances and events. There was a difference in temperament and political views between the two men that causes us to wonder why they were ever intimate friends. The mild-mannered and ease-loving Taft, whose good nature sometimes led him too far afield, naturally approached public responsibility from an angle different from that of the "Rough Rider" and mighty hunter. These differences had been widened by Roosevelt's absence from the country. Taft had grown more conservative and was less inclined to disturb the *status quo*, while Roosevelt had grown more liberal if not more radical. It should not have been expected that these two wheel horses would pull together in the party harness when one was going toward the right and the other toward the left.

On his return Roosevelt supported the Progressive movement and held frequent conferences with the Insurgent Republican leaders. Taft was deeply hurt by this intimacy of Roosevelt with the bitter critics of the Administration. These Insurgents were able to convince the Colonel that Taft had not been true to the former's policies. Moreover, some of Taft's measures were objectionable to Roosevelt. Prominent among these was the suit brought by the Department of Justice against the United States Steel Corporation for having absorbed the Tennessee Coal and Iron Company (see p. 410). Taft strongly disapproved of Roosevelt's growing radicalism and he aroused Roosevelt's anger in a speech in which he unhappily referred to the Progressives as "neurotics." The breach started off as an embarrassing coolness but gradually widened into a serious quarrel. Taft entered into the contest in a spirit of sorrow

rather than of anger, but when the controversy grew into white heat he, as well as his opponent, exhibited a deplorable bitterness of feeling. He contended that Roosevelt had garbled his statements and otherwise grossly misrepresented him.

The break between the two former friends was both a cause and a result of Roosevelt's candidacy. By the beginning of the year 1912 the Colonel had decided that he would accept the Republican nomination for the Presidency if it were offered to him. The

*Roosevelt
announces
his candidacy*



Literary Digest, February 3, 1912

IS IT AFTER HIM OR IS HE AFTER IT?—Fox in the Chicago Evening Post.

Progressives felt that in the fight for the nomination and for the final election he would be a more effective leader than La Follette. They therefore decided to desert the latter's standard and get behind the candidacy of Roosevelt. Their plans were furthered by a stroke of ill fortune that came to La Follette. On February 2, 1912, at a dinner in Philadelphia, while worn down with overwork and worry, he made an unduly long and repetitious speech in which he showed signs of great nervous tension. Contending that the Wisconsin Senator was on the verge of a nervous breakdown, most of his followers now went over to the camp of Roosevelt. Shortly thereafter (February 24) Roosevelt publicly declared his intention to run for the Republican nomination. This announcement was

made in response to the joint request of seven liberal governors who urged him to become a candidate. La Follette felt very bitter toward Roosevelt, declaring that the latter had ridden on a wave created by him and had cheated him out of the nomination.

*The contest
for delegates*

In the preconvention fight between Roosevelt and his former friend, Roosevelt was destined to get the vote of the liberal Republicans and also of many regulars who considered Roosevelt's strength as a candidate greater than that of Taft. By advocating the recall of judicial decisions Roosevelt had, however, frightened away many conservatives; but despite this drawback the states in which preferential primaries were held gave him a decided majority over the President. Roosevelt contended that these states represented a cross section of the country and therefore a majority of the Republicans of the nation favored his nomination.¹ Taft ran ahead of his rival in those states which chose delegates by party conventions.

*Taft
nominated*

When the national convention met in Chicago (June, 1912) the Taft forces were in control. Thereupon the Progressives filed a large number of contests contending that about two hundred and fifty of Taft's delegates had not been properly chosen. There was a basis for some of these claims but many of them were made for "moral effect." Most of these contests were decided in Taft's favor, first by the National Committee and afterward by the convention. By these decisions the Progressives were reduced to a minority in the convention and Roosevelt (who had gone to Chicago to look after his interests) termed the action a "naked theft." The convention, however, had followed the usual methods and had employed the same practice that was used in 1908, with Roosevelt's approval, when Taft was first nominated. With the conservatives in control, Taft was renominated on the first ballot and James Sherman was re-nominated for the Vice-Presidency. Roosevelt received only 107 votes, but 344 of his adherents sat in silent protest and refused to vote.

*Organization
of the
Progressive
Party*

On the evening of the adjournment of the Republican convention most of the Progressive delegates met in a convention and nominated Theodore Roosevelt for President and Hiram M. Johnson for Vice-President. Roosevelt appeared before the group and made an enthusiastic speech. He advised his hearers to go home and sound

¹ In the thirteen states in which primaries were held the number of delegates won by each candidate was as follows: Roosevelt, 281; Taft, 71; La Follett, 36. At that time, however, the primary system was not in good working order in all the states, and Taft's friends contended that a number of Democrats voted in the Republican primaries in Oregon and in the Dakotas. The fact that in the Dakotas the number of votes polled for all candidates in the regular November election was less than that cast in the Republican primaries lends support to this contention. See Pringle's *Taft*, II, 797, and Edward Stanwood, *A History of the Presidency* (Houghton, Mifflin Co.), II, 239.

out public opinion as to the advisability of his heading a third party. They were to return to Chicago as a mass convention and if they still wished him to lead in the fight he would do so even if he should carry only one state.

In accordance with this plan another convention assembled in Chicago (August 5), this time to confirm the nominations already made and adopt a platform for the new Progressive, or "Bull Moose,"¹ Party. The large and enthusiastic gathering was more like a religious than a political meeting. The delegates frequently quoted a statement previously made by their leader, "We stand at Armageddon and we battle for the Lord." They also sang together "Onward Christian Soldiers," with a fervor that was worthy of a religious revival. Roosevelt made an able speech outlining the principles of the new party. A platform called "A Contract with the People" was then adopted and Roosevelt and Governor Johnson were again named as standard-bearers. This large assemblage of twenty thousand people included not only practical politicians and liberal realists but also groups of hopeful idealists who were dubbed by their opponents the "lunatic fringe."

The division of the Republican party gave the Democrats great encouragement. A few days after the adjournment of the Republican convention the Democratic hosts assembled in Baltimore (June 25) to choose standard-bearers and formulate a platform. Bryan was no longer in the list of probable candidates, but was still strong enough to play the role of kingmaker. Although the party was able to present a united front against the opposition, it was made up of both liberal and conservative elements. In the list of conservative aspirants for the nomination Governor Judson Harmon of Ohio and Representative Oscar W. Underwood of Alabama were the most prominent. Governor Woodrow Wilson of New Jersey stood at the head of the liberals. Beauchamp ("Champ") Clark of Missouri, Speaker of the House, was also classed as a liberal although there were some who feared that his liberalism would be limited by opportunism—the willingness to compromise and play politics.

Bryan, spokesman for the Nebraska delegation, was the outstanding leader of the liberal forces. After making a violent attack on two conservative members of the convention, he secured the adoption of a resolution which pledged that no one would be nominated who

The Democratic convention

¹ Soon after his arrival at Chicago, Roosevelt, in response to an inquiry by a newspaper reporter as to his health, replied that he was feeling like a bull moose. The newspapers gave this commonplace incident wide publicity and the name "Bull Moose" was applied to the new party. In this way the bull moose took his place along with the elephant and the donkey as a political emblem.

was "the representative of or pledged to" the great financial interests. The temper of the convention was such that a conservative had little or no chance for the nomination. The race was thus in effect narrowed down to a contest between Clark and Wilson. Clark ran ahead and at one time received a majority vote of the convention, although he could never get the two-thirds majority which was necessary for a nomination. On the tenth ballot New York, under the leadership of Murphy, the Tammany boss, gave her 90 votes to Clark. Up to this time Bryan, although doubtless with reluctance, had voted for Clark in obedience to instructions. This action of Tammany, however, gave him an excuse to break his instructions, since, as he alleged, Clark would be under obligations to the financial interests of New York. On the fourteenth ballot he went over to Wilson.¹ The deadlock continued, however, until the forty-sixth ballot, when Underwood's and Clark's names were withdrawn and Wilson was nominated. Governor Thomas R. Marshall of Indiana was named for the Vice-Presidency. Clark denied that he had had any association with the financial interests and bitterly denounced Bryan for his allegedly false accusation.

*The plat-
forms*

All three parties advocated certain progressive measures, such as currency reform, parcel post, the conservation of natural resources, flood control for the Mississippi River, publicity for campaign funds, and the maintenance and extension of the civil service policy. The Republicans and the Progressives favored a protective tariff but with some revision. The Democrats declared for a tariff for revenue only. In each of the three platforms there was a recognition of the necessity of curbing the evils of trusts. The Republicans advocated the enactment of laws which would declare as criminal offenses all acts or attempts to restrain and monopolize trade. The Progressives, while favoring legislation to prevent the evil practices of trusts, also advocated Federal regulation of them. The Democrats demanded such legislation as would "make it impossible for a private monopoly to exist in the United States." In the effort to put the people in control of the government the Progressives went beyond the two old parties. Not only did they favor woman suffrage but also the initiative, the referendum, and the recall. Even more objectionable to the conservatives was their advocacy of the recall of judicial de-

¹ It has been the general impression among historians that Wilson's nomination was due mainly to Bryan's switch from Clark to Wilson. This view is convincingly challenged by Mr. Arthur S. Link in the *American Historical Review* for July, 1945 (Vol. L, 691-713). In this article on the Baltimore Convention of 1912 the author states that Bryan brought only 33 votes to Wilson and that Clark's failure to secure a two-thirds majority was due to the persistence of the Underwood delegates in standing by their candidate. He also shows that Wilson owed his nomination in part to the belated support given him by the old-line party bosses.

cisions. By this was meant that any decision rendered by a state court declaring an act of a state legislature unconstitutional could be reversed by a vote of the people.

A fundamental difference between the attitude of Roosevelt and that of Wilson was that Roosevelt's program called for an extension of the power of the Federal government and he properly designated his doctrine the "New Nationalism." Wilson looked largely, although not entirely, to the states for remedial action. In handling the problems of big business Federal action should supplement not supersede state legislation. Wilson called his plan the "New Freedom." William Allen White, a brilliant Midwestern newspaper editor, afterward spoke of the difference between the two platforms as follows: "Between the New Nationalism and the New Freedom was the fantastic imaginary gulf that has always existed between tweedledum and tweedledee." This statement, however, reduces the divergence between the two doctrines to too narrow a margin; for the Democratic and Progressive platforms differed in that the former emphasized the prevention and the latter the regulation of trusts.

In this campaign American politics assumed its ugliest mood. *A bitter fight*
The preconvention quarrel between Taft and Roosevelt developed into a bitter fight and the country had to witness the sad spectacle of a President and an ex-President, former friends, abusing each other in a manner that was beneath the dignity of ward politicians. All three candidates made speeches. Wilson conducted his campaign on the plane of principle and refrained from personal attacks on his opponents. He proved to be a good campaigner. With his brilliant and straightforward style and his sincere belief in democracy he made a fine impression on the voters. The intensity of the campaign was lessened for a few days by an attempt on the life of Roosevelt. He was shot at Milwaukee by an insane would-be assassin, but the wound proved not to be dangerous. After receiving the wound Roosevelt spoke for an hour and a half before the bullet was removed from his chest. Roosevelt's opponents tried to use against him his former statement against a third term. To this he replied that the third-term tradition applied only to a third consecutive term.

The division of the Republican Party insured the success of the Democrats. *Results of the election*
"The only question now," said Chauncey M. Depew, "is which corpse gets the most flowers."¹ Wilson did not, however, receive a majority of the popular vote of the country although his majority in the electoral college was overwhelming. He carried forty states and received an electoral vote of 435. Taft carried two

¹ Mark Sullivan, *Our Times* (Charles Scribner's Sons), IV, 809.

states (Vermont and Utah) and received 8 electoral votes. Roosevelt carried five states and a part of another, with a total electoral vote of 88. Eugene Debs, the Socialist candidate, seems to have received considerable support from the independents, since his vote was more than double that received by him in 1908.



"NEW WINE IN OLD BOTTLES."—Darling in the Des Moines Register and Leader.

CHAPTER XXII

Woodrow Wilson and Reform

THE NEW FREEDOM

THOMAS WOODROW WILSON¹ was born at Staunton, Virginia, on December 28, 1856, and his childhood and youth were spent in the South.² His father and both of his grandfathers were Presbyterian ministers of Scottish or Scotch-Irish descent. He had fine opportunities for education. Not only was he reared in an intellectual atmosphere, with access to good literature in his father's well-stocked library, but he also enjoyed exceptional advantages as to formal training at college. In keeping with the tradition of his family, he attended Princeton and was graduated in 1879 with the degree of Bachelor of Arts. A few years later he entered Johns Hopkins University, where he pursued graduate work in history, political science, and political economy under the guidance and inspiration of Professor Herbert B. Adams. His thesis on which the Ph. D. degree was granted (1886) was a brilliantly written treatise entitled *Congressional Government*. This is an able exposition of the strong and weak points in the Federal legislature and is one of his most valuable contributions to political science.

*Woodrow
Wilson·
Early
life and
education*

After leaving Johns Hopkins he entered upon a successful teaching career, holding professorships at Bryn Mawr (1885-1888), Wesleyan University (1888-1890), and Princeton (1890-1902). His chair at Princeton was that of Jurisprudence and Political Economy. During the dozen years of his teaching at Princeton he gave public lectures and engaged in historical and political writing, and by the end of that time he had won a national reputation as a public speaker and writer. He had also perfected a literary

*His academic
career*

¹ When he published his book, *Congressional Government* (1885), he dropped his first name and seems not to have used it thereafter. However, he still wished to be called "Tommy" by his intimate friends.

² Before Woodrow was two years old his father moved to Augusta, Georgia, and later (1870) to Columbia, South Carolina, where he was a professor in the Presbyterian theological seminary. Four years later (1874) he accepted a call to the First Presbyterian Church in Wilmington, North Carolina. Young Wilson's collegiate career included a year at Davidson College, cut short by ill health, and four years at Princeton. After studying law at the University of Virginia and then at his home in Wilmington, he was admitted to the bar in Georgia (October, 1882). He hung out his shingle in Atlanta, but before the end of one lean year he decided to give up the practice of the law, which was not to his liking, and return to the "advantages and delights of study." He now went to the new university of Johns Hopkins, which he considered "the best place in America to study," to prepare for a career as college professor.

style remarkable for its clarity, conciseness, and beauty of expression.

In 1902 he accepted the presidency of Princeton. He proposed certain reforms, some of which enlisted the ardent support of a portion of the students, faculty, and alumni, and aroused the violent antagonism of others among the friends of the University. The proposals that caused the most serious controversy were those included in his effort to democratize the social life of the students and locate the graduate school on the campus rather than on a new site at some distance from the other buildings of the University.¹ After a long and strenuous fight he was forced to yield on these two points. He was greatly discouraged and thought of resigning the presidency. The fight at Princeton had, however, made him a national figure, and he was hailed throughout the country by the liberals as the champion of democracy in education.

Governor
of New
Jersey

As the academic storm clouds at Princeton grew thicker the political outlook for Wilson grew brighter. In 1910 the Democratic prospects in New Jersey were by no means encouraging. If the trend toward Republicanism, shown so markedly two years before, were to be reversed, the Democrats would have to present a candidate for the governorship who would have a strong popular appeal. Wilson's fight in favor of a democratic social life at Princeton had given him a nation-wide reputation for liberalism. With him as their candidate the Democrats of New Jersey could go before the electorate as the champions of reform. Therefore, the Democratic machine, although it had no sympathy with the progressive movement, decided to throw its support in favor of the Princeton president. Colonel George Harvey, editor of *Harper's Weekly*, had earlier spoken of Wilson as a Presidential possibility, and he considered the governorship of New Jersey as an important step toward this high honor. When he suggested Wilson to James Smith, Jr., the state Democratic boss, the latter accepted the suggestion and offered his support to Wilson. Wilson agreed to accept the nomination if it were tendered him, but with the understanding that he would be bound by no promises. He received the nomination and after making a vigorous

¹ In an effort to unify and democratize the social life of the University he advocated the construction of a group of dormitories as a common quadrangle in order that the students might freely mingle with each other. The Quad Plan (as it was called) ran counter to the ideals and practices of some exclusive social clubs among the students. The alumni and student members of these clubs opposed these leveling tendencies of the new president. Wilson also encountered the opposition of Dean Andrew F. West of the graduate school by not accepting Dean West's plan for locating the graduate school on a site some distance from the main plant. Several million dollars were secured for the graduate school, some of which had been granted on terms favorable to Dean West's idea. This turned the scales against Wilson and he gave up the fight both for the Quad Plan and for the graduate school.

campaign was elected. Two years before, the Republicans had carried the state by 82,000; Wilson's majority was 49,000.

Apparently Smith did not understand the character of the man he had helped to put in the governor's chair, and he proceeded to act as if he were still the party boss. Although the primary election had gone in favor of James Martine for United States Senator, Smith, in violation of a pre-election pledge, announced his candidacy for the honor. Thereupon Wilson led in a fight for Martine and won an overwhelming victory over Smith. This defeat of the bosses put the governor in unchallenged control of the party, and he showed no hesitancy in making use of this power. In his writings Wilson had declared that the executive should direct legislation and use its full power in getting proper measures passed. He now acted upon that theory and assumed the leadership in legislation. By the use of the power of his office and of his influence with the people he was able to secure the enactment of a number of measures which put New Jersey in the forefront of progressive states and added greatly to Wilson's reputation as a liberal leader. These reforms included acts providing for employers' liability, electoral reform, and the regulation of public utilities.

With the accession of Wilson to the Presidency the Democrats had come into control of the Federal government for the first time in twenty years. The new incumbent was also the first Southerner who had sat in the Presidential chair since the Reconstruction era. Wilson was the best trained in the theory of government of all our Presidents, with the possible exceptions of Jefferson and Madison. He had devoted years to the study and writing of history and political science, and could therefore draw on the experience of other nations as well as that of our own. To his high office he also brought a brilliant intellect, with which were associated deep religious convictions, a serious view of life, and a stern sense of duty which were worthy of his Scotch-Irish heritage and Presbyterian training. He was an earnest and able advocate of the rights of the common man and showed rare ability in sensing his needs and formulating his demands. His speeches therefore were hailed by the masses as the sincere utterances of an ardent champion. The people were impressed not only by the soundness of his views but also by the eloquence and moral earnestness with which they were presented. Yet the common man never warmed toward him personally as he did toward Lincoln and the two Roosevelts. Wilson's intellectual coldness, his dignity, touched as it was with a strain of timidity, and his inability to affect an easy camaraderie put a barrier between him and the people. Although he had a sense of humor

*Personal
traits*

and was informal and free with intimate friends, to strangers he seemed exclusive. He was never hasty in making up his mind, but when his decisions were finally made, he held tenaciously to them, sometimes almost to the point of obstinacy. In his rigid adherence to principle he was reluctant to accept compromise, even when such yielding would have furthered his aims. At times he was over-impatient with opposition and more than once he allowed righteous

indignation to grow into a personal hatred which warped his judgment. He would fight for a cause with courage, zeal, and persistence, and he usually, although not always, was wise in strategy and practical in tactics. His most valuable quality was vision—the ability to read aright the signs of the times and forecast the future. But unfortunately in some instances his prophetic insight was so far beyond the ken of his fellow countrymen that they refused to believe his prophecies.

The new President made a very favorable impression on the country on the occasion of his first public appearance, the reading of his Inaugural Address. There breathed forth from this speech



Courtesy of Brown Brothers

WOODROW WILSON.

*Wilson's
Inaugura
Address*

the high idealism that could be expected of a philosopher-statesman. The address was both a confession of faith and an announcement of a program. In it were enumerated evils that called for corrective measures on the part of the government. The following were some of the sore spots in our social order demanding treatment: We have wasted our natural resources; we have achieved our phenomenal industrial advance at a great human cost—that of imposing on men, women, and children a burden that has robbed them of spiritual opportunity, overtaxed their energies, and snuffed out their lives; we are hampered with a tariff “which cuts us off from our proper part in the commerce of the world” and “makes the Government a facile instrument in the hands of private interests”; we have an outmoded banking system and an industrial system which “holds capital in leading strings, restricts the liberties and limits the opportunities of labor, and exploits without renewing or conserving the natural resources of the country”; we have failed to give adequate

encouragement to scientific agriculture; and have left "watercourses undeveloped, waste places unreclaimed, forests untended, fast disappearing without plan or prospect of renewal, unregarded waste heaps at every mine." He indicated that his purpose would be to remedy these evils and at the same time safeguard property and individual rights. "Our work is a work of restoration." He ended the address with this eloquent peroration:

This is not a day of triumph, it is a day of dedication. Here muster, not the forces of party, but the forces of humanity. Men's hearts wait upon us; men's lives hang in the balance; men's hopes call upon us to say what we will do. Who shall live up to the great trust? Who dares fail to try? I summon all honest men, all patriotic, all forward-looking men, to my side. God helping me, I will not fail them, if they will but counsel and sustain me!"¹

In his campaign speeches and in his Inaugural Address, Wilson had taken a stand with the progressive wing of the party. If, however, there was still any doubt as to his position, it was entirely removed when his Cabinet was announced, for Bryan, the dean of the liberal Democrats, had been given the post of Secretary of State. It is true that the President was under obligation to give the kingmaker the highest honor at his disposal, nonetheless, this appointment was a virtual commitment of Wilson to a policy of liberalism. It made assurance doubly sure. This was a wise selection, for not only did Bryan co-operate loyally with his chief but he exerted to the full his influence with the liberal Democrats in lining them up in support of the President's domestic reforms. For Secretary of the Treasury Wilson chose William G. McAdoo of New York, a successful businessman versed in financial matters. For the Navy Department he selected Josephus Daniels, a newspaper editor of North Carolina who was a close friend of Bryan. Daniels had had no experience in naval affairs, but he was given as Assistant Secretary of the Navy, Franklin D. Roosevelt, a young man who was well informed as to the condition of the navy and deeply interested in building it up. The other members of the Cabinet had not figured prominently in public life, but they proved efficient administrators and were able to work together in reasonable harmony.² In addition to advice given by the Cabinet, the President received counsel

*The
Cabinet*

¹ For the text of the Address, see Ray Stannard Baker and William E. Dodd (eds.), *The Public Papers of Woodrow Wilson: The New Democracy* (Harper and Brothers), I, 1-6.

² The other members of the Cabinet were: Lindley M. Garrison of New Jersey, Secretary of War; James C. McReynolds of Tennessee, Attorney General; Albert S. Burleson of Texas, Postmaster General; Franklin K. Lane of California, Secretary of the Interior; David F. Houston of Missouri, Secretary of Agriculture; William C. Redfield of New York, Secretary of Commerce; and William B. Wilson of Pennsylvania, Secretary of Labor.

from two astute politicians—his intimate friend, Colonel Edward M. House, and his private secretary, Joseph P. Tumulty, who were a sort of “Kitchen Cabinet.”

The Democrats were prompt in taking up the measures promised by their platform. In response to a call by the President, Congress met in special session (April, 1913) to act upon his recommendations. Instead of sending a written message to each house, as had been the custom since the accession of Jefferson in 1801, Wilson appeared in person before the joint session of the two houses and read his message. This reversion to the example set by Washington created a great deal of interest both inside and outside of the capital. The President's address was listened to by crowded galleries and was published in newspapers throughout the country. Since the message was short, the leading newspapers published the entire text. By dramatizing this event so effectively Wilson had scored a success in publicity that was worthy of the advertising skill of Theodore Roosevelt. In this address the President confined his recommendation to a reduction of the tariff. He contended that our tariff policy had developed into a system by which monopolies could easily be formed. Under it American industry had been receiving not merely protection but patronage from the government. Although he urged Congress to “abolish everything that bears even the semblance of privilege or of any kind of artificial advantage,” he warned against headlong and reckless haste.¹

Congress began at once to act on this suggestion. The House Ways and Means Committee, under the leadership of Representative Oscar W. Underwood, had already given careful study to the tariff and was soon ready with a bill. Having passed the lower house, the Underwood bill was steered through the upper house under the leadership of Senator F. M. Simmons of North Carolina. After long consideration, the bill passed both houses of Congress and received the signature of the President (October, 1913). The measure as finally passed provided for a considerable reduction in rates. Indeed, it was the lowest tariff since the Civil War and went back approximately to the level of the Walker Tariff of 1846. Reductions were made on 958 articles and about 300 items were put or retained on the free list. There were substantial reductions in the rates on iron and steel products and cotton and woolen goods. The duty on sugar was at first to be lowered and later to be removed. The free list also included wool, hides (already on the list), coal, lumber, farm implements, and a number of food products. Increases on 86 articles, mostly luxuries, were made for revenue purposes.

¹ For the text of this message, see Baker and Dodd, *op. cit.*, 32-35.

It was strictly a party measure, since all the Democrats except the two Senators and three Representatives from Louisiana (who were opposed to the sugar schedule) voted for it, and practically all the Republicans except a few Insurgents voted against it. Party discipline was in part responsible for this exceptional harmony in the major party. In each house there was a caucus agreement by which Democratic members were pledged to act as a unit. Wilson also used his power to the full in forcing the measure through with as little change as possible. Even the power of the patronage was called into requisition. His most important service, however, was to denounce the lobbyists who, as was their custom, had swooped down upon Congress with the hope of securing favors for the interests they represented. Wilson's denunciation of them, repeated by the press, pared their claws and they were unable to accomplish anything.

It was expected that the tariff reductions would lead to a decline in revenue. To compensate for this loss a graduated income tax was passed. The Sixteenth Amendment permitting the levy of such a tax had recently been ratified. Since tariff duties fall on the people generally and the income tax mainly on the well-to-do, the Underwood-Simmons Act lowered the tax burdens of the masses and increased those of the wealthier class. To effect this social result was one of the objectives of the measure. The tariff commission appointed by Taft had already come to an end (1912) because Congress had refused to appropriate money for its continuance, and the new tariff act had no provision for its renewal. There was, however, considerable agitation in favor of a tariff board, and in 1916 a bipartisan tariff commission was created. What would have been the effect of the Underwood-Simmons Act under ordinary conditions can only be conjectured, for the war in Europe soon upset all normal trade relations.

While the tariff bill was still under discussion in the Senate, President Wilson appeared before Congress a second time, this time to urge financial legislation. There were certain shortcomings in the banking system, and these had been brought into clearer light by the panic of 1907. Outstanding among these weaknesses were:

1. The inability of the banks in times of crisis to pool their reserves and thus present a united front against a run by panic-stricken depositors. Nor were the banks, even sound ones, able at such times adequately to replenish their reserves by liquefying their frozen assets.

2. Insufficient flexibility in the money supply. More money was

*The Federal
Reserve
System:*

*Defects in
the old
currency
system*

needed at certain seasons of the year and at certain periods than at others. For example, in autumn when crops are marketed, the demand for currency is greater than usual. Furthermore, when business is on the increase there is need of a greater supply of money. Our inelastic currency system did not properly adjust itself to these seasonal and periodic changes. Of the various types of money in use only bank notes and gold (and gold certificates based on gold) were not fixed in amount. The supply of gold available for coinage generally increased only slightly from year to year, and this increase had no relation to commercial activity. We were therefore dependent upon the national bank notes for what little elasticity there was in the monetary system. The supply of bank notes was not determined by the needs of trade but by the amount of government bonds owned by national banks. The fluctuations in this amount did not correspond to the changes in business conditions. When business was on the increase government bonds would sell at such a high price that the banks were not inclined to buy them and thereby increase the amount of their note issues.

3. The trend toward monopoly in the banking business. A few large corporations had become so deeply entrenched in the financial system of the country that they were termed the "money trust." The fear that they might get a strangle hold on credit was enhanced by a report of a committee of the House headed by Representative A. P. Pujo of Louisiana. This committee reported that a few financiers controlled such a large portion of the banking resources of the country as to give them too great a power over money and credit.

As has already been seen (see p. 410), an effort was made to ease the money situation by the Aldrich-Vreeland Act (1908), which authorized the national banks to issue additional notes in times of money stringency. But this emergency measure had not solved the difficulty. The Aldrich-Vreeland Act also provided for the appointment of a committee to make a study of the banking problem. Headed by Senator Aldrich, it went into a very careful investigation of banking conditions in the United States and other countries and turned in a report of about forty volumes (January, 1912). Senator Aldrich also offered a bill for establishing a large privately-owned central bank with fifteen branches. The plan of centralized control as here outlined was quite similar to that of the First Bank of the United States which Jefferson had so strongly opposed, and of the Second Bank, which Jackson had destroyed. Such centralization in finance was thus contrary to Democratic tradition and was therefore shelved by the Democratic House.

Another plan was worked out by Representative Carter Glass

*Report of
the Pujo
Committee*

*The
Aldrich-
Vreeland
Act*

of Virginia, Chairman of the House Banking and Currency Committee. In preparing his bill Glass and his co-workers made use of the mine of information contained in the Aldrich Report. Among his collaborators were President Wilson, Secretary McAdoo, and Parker H. Willis, an expert in the field of finance. The Glass Bill with the active support of the President and the endorsement of the Democratic caucus, passed the House by an overwhelming majority. It was carried through the Senate, with some changes, under the leadership of Senator Robert L. Owen of Oklahoma. The measure received the President's signature in December, 1913, but the new plan did not go into effect until November, 1914.

*The Glass-
Owen Federal
Reserve
Act*

The act provided for a banking system which was centralized as to districts but decentralized as to the country as a whole. The United States (not including Alaska) was divided into twelve districts. In each of these districts at an important financial center was established a Federal Reserve Bank. The stock of these banks was all to be owned by other banks. Every national bank was required to buy stock in the Federal Reserve Bank of its district, and state banks and trust companies could enter the system if they so desired. The amount to be subscribed by each member bank was to be six per cent of its capital stock and surplus. The member banks had to keep the major portion of their reserves in the Federal Reserve Banks. The Federal Reserve Banks did not engage in ordinary banking business but were bankers' banks. They could buy and sell exchange and make loans to member banks and rediscount their paper. The Federal Reserve Banks were also to be repositories for the funds of the Federal government. This provision did away with the sub-treasury system under which the government had kept its moneys since the eighteen forties.

*Federal
Reserve
Banks*

At the head of the system was the Federal Reserve Board, consisting of seven (later eight) members. The Secretary of the Treasury and the Comptroller of the Currency were ex-officio members. The others were appointed by the President with the consent of the Senate. One member of the Board was designated as chairman with the title of Governor of the Federal Reserve Bank.

*The
Federal
Reserve
Board*

Each Federal Reserve Bank is under the management of a board of nine directors. Three of these are appointed by the Federal Reserve Board and the other six by the stockholders. No one can be a director of more than one Federal Reserve Bank, and so there are no interlocking directorates. The Federal Reserve Board can examine the books and accounts of Federal Reserve Banks at its discretion and can exercise general supervision over these banks. This governmental supervision, together with the decentralized

*Federal
reserve
notes*

character of the system, makes it impossible for the banks to fall under the power of a few private individuals or corporations.

The Federal Reserve Board can issue Federal reserve notes to the Federal Reserve Banks on the security of approved commercial paper. The Federal Reserve Banks had to keep a reserve in gold of forty per cent against their Federal reserve notes in actual circulation. The Federal reserve notes are government obligations and were redeemable in gold at the Treasury Department in Washington, or in gold or any lawful money at any Federal Reserve Bank. They are also receivable for taxes, customs, and other public dues. By the exercise of this note-issuing power the Federal Reserve Banks can increase the supply of money in circulation whenever there is a demand for such an increase. On the other hand, if at any time there should be an oversupply of money, the Federal reserve notes, it was expected, would be automatically retired. There are several provisions to encourage such retirement. The Federal Reserve Banks have to pay interest on the Federal reserve notes issued by them. One Federal Reserve Bank cannot put out the notes issued by another, but has to send them back to the bank of issue for redemption. Furthermore, Federal reserve notes are not a legal tender and cannot be used by national banks as reserves. Owing to these drawbacks, it was expected that these notes would be exchanged for other kinds of currency whenever there should be more money in circulation than is needed. By this plan the amount of money in circulation would rise and fall with the commercial demands of the country. Federal Reserve Banks can also issue notes based on government bonds.

*Is the
Federal
Reserve
System
panic-proof?*

The provision for rediscounting the commercial and agricultural paper of member banks by the Federal Reserve Banks was intended to equalize the amount of money as between localities. If a member bank needed more currency it could obtain it from the Federal Reserve Bank of its district by sending in commercial or agricultural paper for rediscount. In like manner if there should be a shortage of currency in one district it could be remedied by the Federal Reserve Bank of that district sending paper to another district for rediscount.

By concentrating the reserves at twelve financial centers it was easier for banks to pool their reserves and thus render aid to each other in times of panic. The new system was at once received with wide approval by the general public and was acclaimed by its enthusiastic supporters as a panic-proof financial scheme. This hope, however, was illusory; for, although the Federal Reserve System may have kept the depression of 1921-23 from growing into

a panic, it was not able to prevent the greatest of all our panics (the one that started in 1929). The new banking plan was, however, a decided improvement on the old and it proved an effective agency in dealing with the difficult problems raised by the First World War. The system was at first opposed by the conservative bankers of the East, who regarded its creation as an unwarranted interference with banking by the government. Later, however, the banks throughout the country became staunch supporters of the plan, and were prompt and eager to join it.¹

The act gave the Federal Reserve Board the right to fix the rate at which Federal Reserve Banks discount the paper of member banks. By lowering or raising this rate the Board can to a great extent control credit. If money becomes tight the Board can loosen up credit by lowering the rate of discount and thereby encouraging member banks to rediscount their paper and increase their supply of currency. On the other hand, in boom times, when credit is too easy, the Board can reduce the volume of money in circulation by discouraging the rediscount of commercial paper with high discount rates.

Next in the list of major reforms on Wilson's agenda was that of preventing or restraining efforts to stifle competition through the exercise of monopolistic powers by large corporations. The evils of trusts had been recognized by the three major parties in the campaign of 1912 and each one was committed to a policy of regulation or restraint of monopoly. The Sherman Act of 1890, which had declared illegal all combinations in restraint of trade, was intended to destroy monopoly and restore freedom of competition. However, the law as interpreted had not put any effective curb on the trusts, because the courts had been conservative in their attitude toward big business and since 1911 had followed the practice of applying the "rule of reason" in deciding trust cases. According to this doctrine, only such combinations as were in unreasonable restraint of trade were to be considered in violation of the Sherman Act. Despite the vigorous attempts of Roosevelt and Taft, little or nothing had been done to solve the problem of monopoly. At the accession of Wilson there were more trusts than there had been twenty years earlier, and the general feeling was that the government was waging a losing fight against them. This feeling led to a good deal of agitation, which prepared public opinion for changes in trust legislation. There were, however, serious constitutional difficulties in the way of a proper solution of the problem. The Constitution does not

*The
Trust
Problem*

¹ The text of the Federal Reserve Act is given in part by T. C. Pease and A. S. Roberts in *Selected Readings in American History* (Harcourt, Brace and Co.), 674-679.

confer upon Congress the right to regulate business; any authority that it may exert in this field must therefore be derived from its power to regulate commerce between the states and with foreign countries.

*Wilson
recommends
antitrust
legislation*

Wilson, however, was not deterred from attacking the problem because of its difficulty. In some important respects he was in a better position to lead in such a fight than had been any of his predecessors. The Bureau of Corporations had devoted considerable time and effort to the study of big business and had assembled a mass of data that could serve as the basis of legislation. Then, too, Wilson had behind him a united and well-disciplined party that was inclined to do his bidding. He decided to take advantage of these favorable circumstances, and almost immediately after the banking question had been disposed of he appeared before Congress (January 20, 1914) to ask for legislation dealing with the trust problem. His address was conciliatory in tone and rather conservative as to proposals. While he recommended that a program be adopted founded on the principle that "private monopoly is indefensible and intolerable," he insisted that the laws to be passed should not hamper or interfere with business but should be "the bulwarks and safeguards of industry against the forces that now disturb them [it]." "The antagonism between business and Government is over." To encourage business in all its legitimate activities and restrain it from abuses he recommended legislation as follows: (1) "More explicit legislative definition of the policy and meaning of the existing antitrust law"; (2) measures preventing certain unfair practices in business relations; and (3) the creation of a Federal trade commission which will give information and guidance to business and aid it in the process of self-correction. Wilson's plan was to strike at the root of the trust evil—to adopt preventive rather than destructive measures and thereby create an atmosphere in which monopoly could not thrive and develop.¹

*The
Federal
Trade
Commission
Act*

To carry out the President's proposals Congress passed two acts for the regulation of trusts, the Federal Trade Commission Act (September, 1914) and the Clayton Antitrust Act (October, 1914). The Federal Trade Commission Act created as a substitute for the Bureau of Corporations, now to be ended, a bipartisan commission of five members, to be appointed by the President with the consent of the Senate. This commission was authorized to prevent persons and corporations, except banks and common carriers (the regulation of which was provided for by other acts), "from using unfair methods of competition in commerce." If the commission shall at any time

¹ For the text of Wilson's Address see Baker and Dodd, *op. cit.*, 81-88.

find after investigation that any person or corporation had engaged in practices prohibited by this act, the commission shall publish a report as to its findings and order the offending party "to cease and desist from using such method of competition." If this order is not obeyed the commission can apply to the Federal Circuit Court of Appeals of the circuit affected for the enforcement of its order. The judgment of the Circuit Court of Appeals shall be final except that it shall be subject to review by the United States Supreme Court.¹

The Clayton Antitrust Act, so-called because it was sponsored by Henry D. Clayton, Chairman of the House Judiciary Committee, applied not only to the trust problem but also to railroads and labor. The act declared illegal certain practices, such as the following: price discrimination, if such discrimination should tend toward monopoly; the sale of commodities on condition that the purchasers could not procure goods from a competitor of the seller (this was called "tying"); the appointment of interlocking directorates by competing banking and industrial corporations of large size; and the purchase by any corporation of the stock of a competing business, provided such a purchase should have the effect of lessening competition. Directors and officers of offending firms were individually liable for violations of trust acts. Injured parties might obtain relief by bringing civil suits for damage, by securing injunctions from the courts, or by having the Federal Trade Commission issue cease and desist orders.

*The
Clayton
Antitrust
Act*

There were several important provisions in favor of labor. The act declared that "the labor of a human being is not a commodity or article of commerce." Labor unions and farm organizations were exempt from prosecution under the Sherman Act, and peaceful picketing and boycotting were legalized. Injunctions in labor disputes were not to be granted "unless necessary to prevent irreparable injury to property." In all cases of contempt, except when committed in the presence of the court, trial by jury was to be allowed. These provisions were very acceptable to organized labor, and Samuel Gompers considered them the Magna Carta of labor. In actual practice, however, they did not prove as favorable to labor as was anticipated. The interpretations rendered by the courts in the nineteen-twenties considerably reduced the benefits provided by this law.

Wilson also continued the policy of Roosevelt and Taft in prosecuting the trusts for violations of the Sherman Antitrust Act. These prosecutions were, however, not so numerous as they had been under his two immediate predecessors. The hope of winning

¹ For the text of the main provisions of this act, see Pease and Roberts, *op. cit.*, 683-686.

dissolution suits was to some extent discouraged by the practice of the courts in following the "rule of reason." The let-up in prosecution was also due in part to the disposition of the trusts to obey cease and desist orders, but mainly to the abnormal conditions induced first by the European War and later by our participation in the conflict. Both the government and public opinion were pre-occupied with war problems and feared that an overactive prosecution of the trusts might retard production.

The congressional election of 1914

In the midterm election of 1914 the American people had their first opportunity to express officially their attitude toward the Wilson reforms. In this election the Progressives received less than half the vote polled two years before. This is explained by the fact that some of the Progressives had returned to the Republican ranks and others had gone over to the Democratic Party. Owing to this distribution of votes there was an increase in the number of Republican congressmen, but the Democrats still remained in control of both houses. Since the Democrats had won in what was virtually a two-party contest, the election indicated an endorsement of the Wilson policies by the country. It also showed that the Progressives could not hope to figure prominently in the future as a separate national party.

MINOR REFORMS

Federal Land Banks

Under the banking system that had been in effect since the Civil War the farmer was at a disadvantage in securing credits. Loans by the national banks were made only for short periods and were secured by commercial paper. The farmer needed a credit system characterized by long-period loans secured by farm mortgages. As more and more machinery was used in farming, agriculture became a capitalistic industry and the need for credit grew steadily greater. The Federal Reserve Act (1913) afforded some slight relief since loans could be made for six-month periods on the security of farm mortgages. This slight concession was not enough, however, and the farmers continued to agitate for easier agricultural credits. The outcome of this demand was an act passed in July, 1916, by which Federal Land Banks were established.

The Federal Land Banks were patterned after the Federal Reserve Banks. The whole country was divided into twelve districts with a Federal Farm Bank in each district. The capital stock of each bank was to be not less than \$750,000. Private individuals and corporations were given the privilege of buying stock, but they did not avail themselves of this opportunity to any considerable extent. By far the greater part of the stock was therefore subscribed by the govern-

ment. The banks are under the supervision and control of the Federal Farm Loan Board. This is a body of five members, consisting of the Secretary of the Treasury, ex officio, and four others appointed by the President with the consent of the Senate. By organizing associations farmers can borrow money from the Federal Land Banks on the security of farm mortgages for long periods at reasonable interest rates. The Land Banks secure funds for these loans by selling bonds based on farm mortgages.

Of the minor enactments of Congress in Wilson's first term two were concerned with agricultural and industrial education. The first of these, the Smith-Lever Act (May 8, 1914), provided for appropriations out of Federal funds to the land-grant colleges to be used in extension work in agriculture and home economics. These appropriations were to be available, however, only on condition that they were matched, dollar for dollar, by state or local appropriations.

The Smith-Lever Act

The second of these educational measures, the Smith-Hughes Act (February, 1917), granted Federal appropriations to be used, along with equal appropriations by the states, in paying the salaries of "teachers of trade, home economics, and industrial subjects" and in the training of teachers of these subjects. The appropriations were to be apportioned according to the rural population of each state.¹

The Smith-Hughes Act

Wilson, like his immediate predecessors, was confronted with the immigration problem, which had been growing more serious ever since the turn of the century. From 1900 to 1917 more than fourteen million foreigners had come to this country, most of whom became permanent residents and American citizens. There had also been a noted change in the type of immigrants that were coming in. Prior to 1882 the main stream of immigration had flowed in from Germany, the British Isles, and the Scandinavian countries. Since that time a large portion of the foreigners who have come to this country have been from eastern and southern Europe. The new group gradually increased in proportion to the old, and by 1914 the former were outnumbering the latter by about three to one. In that year nearly a million and a quarter (1,218,500) foreigners were admitted into the United States.

Change in the type of immigrants to America

Organized labor was naturally opposed to this wholesale immigration. American laborers felt that the competition offered by this horde of cheap workers would lower their own scale of wages and

Opposition to foreign immigration

¹ Another measure of minor reform was the La Follette Seaman's Act (1915), which provided for better treatment and better living conditions for seamen in the American merchant marine.

standard of living. There was also a general feeling that foreigners were coming in too rapidly to be properly assimilated. The "melting pot" was filled to the brim and overflowing. It was feared that the European immigrants, instead of being Americanized, would Europeanize America. This apprehension was increased by the growing preponderance of the new type of immigrant over the old. The latter, being mainly of Teutonic origin, had inherited political and social traditions similar to our own. The former, coming mostly from Latin and Slavonic stocks, had derived their political and social notions from a different source. Into the structure of American society which we were erecting the new material did not fit as well as did the old. If the existing trend should continue with unabated force the temple of American democracy, which so far had been built along the Anglo-Germanic plan, would be finished off in accordance with the Latin and Slavonic style of architecture. This lack of harmony in the two styles of political architecture was especially noted by conservatives, who attributed (probably without sufficient reason) the increasing radical agitation to this new exotic infusion.

*Literacy
test for
immigrants*

With the view to curbing the influx of immigrants from southern and eastern Europe and thus restoring the balance in favor of those from northern and western Europe, Congress passed an act (1915) denying the admission to this country of "all aliens over sixteen years of age, physically capable of reading, who cannot read the English language or some other language or dialect." Since illiteracy was more common in southern and eastern than in northern and western Europe the law would have the effect of reducing the proportion of immigrants from the former regions. Wilson vetoed the bill on the ground that literacy was a test not of fitness for citizenship but only an indication of youthful opportunity. In so doing he was following precedents set by Cleveland and Taft, each of whom had vetoed a similar measure (1897 and 1913, respectively). Later (1917), after the United States had declared war on Germany, Congress repassed the literacy-test act, this time over the President's veto.

*The Adam-
son Act*

In the midst of the campaign of 1916, Wilson was confronted with a dangerous labor crisis. The four Brotherhoods of American Engineers, Firemen, Conductors, and Trainmen demanded an eight-hour day with ten-hour pay, with time-and-a-half pay for overtime. They threatened to strike if their demands were not met. A strike at that time would not only have been ruinous to business but would have put a stop to the belated defense efforts the government was making. Wilson called into joint conference representatives of the railroads and the employees' unions but

was unable to bring them to an agreement. Nor would the brotherhoods agree to submit the dispute to the Federal Board of Mediation and Conciliation, a body which had been called into being by the Newlands Act of 1913. Owing to this refusal to accept mediation there was considerable opposition to the demands of the brotherhoods and a strong feeling that they were holding up the government. Despite this feeling, Wilson appeared before Congress and asked for legislation in line with the demands of the brotherhoods. In response to this request Congress quickly (in less than five days) passed the Adamson Act (September, 1916), which provided for an eight-hour day for all employees on trains engaged in interstate commerce, with extra pay for overtime. The act gave the Republicans a good talking point in the campaign and they branded the measure as a surrender of the Democrats to a holdup. When Hughes was asked if he would advocate a repeal of the act if elected, he replied, "You can't repeal a surrender."

Woodrow Wilson was a professed disciple of Jefferson and in some important respects the disciple was in accord with the master. Each was the champion of the common man and held that government should support or at least not oppose him in the pursuit of life, liberty, and happiness. The realization of this aim involved the opposition to all sorts of governmental favors to the privileged few. But to attain his objective Wilson adopted policies quite different from those advocated by his mentor. Jefferson thought that human activity should be restrained as little as possible by government, and that such public restraint as was necessary should be imposed more by state than Federal legislation. Wilson, on the other hand, believed that the average citizen should be protected as to economic opportunity as well as to individual liberty. Such protection called for action on the part of the Federal government which was Hamiltonian rather than Jeffersonian. He therefore advocated and his party accepted measures that ran counter to the Jeffersonian idea of states' rights.

*Wilson as
a disciple
of Jefferson*

MEXICAN RELATIONS

President Wilson had been elected on domestic issues, and foreign policy had not been a factor in the campaign. Apparently he did not expect to encounter any serious international difficulties during his administration, since he made no reference to foreign affairs in his Inaugural Address or in his first message to Congress. These rosy expectations soon proved illusory, for he had to wrestle with foreign problems more serious than those of his predecessors. One of these knotty problems was the Mexican question.

*The rule
of Diaz
in Mexico*

At Wilson's accession Mexico was in the throes of a revolution which kept the country in a state of turbulence for a decade (1910-1920). Prior to this time for a third of a century (1877-1910, except for a period of four years) it had been continuously under the control of Porfirio Diaz, who had ruled nominally as president but really as dictator. During this time the southern republic was blessed with internal and external peace, for no disturbing revolutions were permitted. The credit of the government was good and the country enjoyed high standing among other nations. To attract foreign capital Diaz had made extravagant concessions to outsiders in the form of land grants and oil and other mineral rights. Many of these grants had been acquired through graft and corruption. The foreign concessionaires and a small group of privileged Mexicans connected with them basked in a sunny prosperity; but this prosperity did not reach the great mass of the people. In fact the condition of the common man had become worse. The Indian villages in the main had been robbed of their communal lands, which, along with a large part of the public domain, had been granted to great landholders. The result was that nearly all the land was owned by five per cent of the families. The Indians who lost their communal lands became peons, farm laborers, and were in a sad economic plight. They received starvation wages and therefore were always in debt. Since they could not leave their employers until all debts were paid they were tied to the big estates and were virtually serfs. Besides, peace and security had been purchased at the cost of political freedom.

*Beginning
of the
revolution*

There gradually grew up a demand for the restoration of political freedom and the breaking up of big estates and the distribution of the land among the people. The common man placed much of the blame for his bad plight on the foreigners, especially the Americans (because they were the most numerous of the foreigners), and the church, which also had large landholdings. The demand for political and economic reform was accompanied therefore by a strong anti-American and anticlerical feeling. For a long time, however, Diaz was so firmly seated in the saddle that discontent dared not express itself except in low murmurings. By 1910 old age had begun to palsy the iron hand that had held Mexico in such a firm grip and the time of her deliverance had come. In that year a revolt broke out under the leadership of Francis I. Madero to secure a return to constitutional principles. So widespread was the outbreak that Diaz surrendered his authority (May 25, 1911) and fled from the country.

Madero's main purpose was a restoration of political rights, but

he also promised certain land reforms. He was never strong enough to carry out these promises or to hold in check the forces of disorder which had been released by the revolution. Under these unsettled conditions counterrevolution soon began to make headway. General Victoriano Huerta deserted the cause of Madero and led a revolt against him. Madero was defeated and murdered, doubtless at the instigation of Huerta (February 23, 1913). Huerta now assumed control of the government with the purpose of establishing a dictatorship and restoring "Porfirianism." He was recognized by Japan, as well as England and other European powers, but President Taft, who regarded Huerta as a murderer, was not disposed to take any action in the last days of his term that might embarrass his successor, and therefore he passed on the Mexican problem to Woodrow Wilson.

*Madero
overthrown
by counter
revolution*

President Wilson had the best intentions toward the countries of Latin America and in his relations with them he was resolved to carry out the good-neighbor policy. He made every possible effort to convince the people of these republics that their rights would be fully respected by his government. In October, 1913, in a speech at Mobile, Alabama, he declared that the United States would never again attempt to acquire territory by conquest. This noble purpose did not, however, relieve him of the difficulties inherent in the Mexican problem which he found on the doorstep when he entered the White House. Wilson felt that Huerta's government was not based on constitutional right and that his hands were stained with the blood of Madero. He therefore refused to recognize the "unspeakable Huerta." Wilson stated his position a week after his inauguration in the following terms: "We hold . . . that just government rests always upon the consent of the governed, and that there can be no freedom without order based upon law and upon the public conscience and approval. . . . We shall lend our influence of every kind to the realization of these principles. . . . We can have no sympathy with those who seek to seize the power of government to advance their own personal interests or ambitions."

*Wilson
refuses to
recognize
Huerta*

The other Latin American powers followed the example of the United States in refusing to recognize Huerta. His authority was also challenged in Mexico by revolutionary leaders, such as Venustiano Carranza, Francisco Villa, and Emiliano Zapata. Under such conditions Huerta could not restore peace and quiet. In an effort to aid in putting down the disturbances and restoring law and order, Wilson tried to induce Huerta to resign, to agree to a provisional government, and to call an election for the choice of a president according to constitutional methods. If he would resign, the United

*"Watchful
waiting"*

States government would encourage American bankers to make a loan to the temporary government which would meet its immediate financial needs. Huerta, however, refused the offer and Wilson had to await the results of other peaceful methods to force Huerta out. This policy he termed "watchful waiting."

His plan, as stated by Secretary Bryan, was to cut off Huerta "from foreign sympathy and from domestic credit, whether moral or material, and to force him out. . . . If General Huerta does not retire by force of circumstances it will become the duty of the United States to use less peaceful means to put him out." Great Britain was won over to the support of this policy by Wilson's successful effort to have Congress repeal the act exempting American coastwise vessels from the payment of tolls for the use of the Panama Canal (see pp. 464 f). The other powers followed the lead of Britain in urging Huerta to yield to Wilson's demands; but Huerta was still obdurate and refused to accept the American proposal.

*The
Tampico
incident*

Wilson was forced from his policy of watchful waiting by an untoward event, which was awkwardly handled. This was the Tampico incident. To prevent Huerta from getting supplies from Europe, American naval vessels were stationed in the waters off Vera Cruz with Admiral Henry T. Mayo in command. When some American sailors went ashore to get gasoline they were arrested at Tampico by a Mexican officer and taken off a boat flying the American flag. They were promptly released with an apology from Huerta. This, however, did not satisfy Admiral Mayo, who demanded a twenty-one-gun salute to the flag as an atonement for the indignity to which it had been subjected. Huerta refused the salute, which he regarded as an act of humiliation, but yielded to the other demands. He also agreed to arbitrate this point. Although there was considerable opposition in the United States to the stand taken by the naval commander, the President and Secretary of State felt that they had no alternative but to support his action. Accordingly, they insisted on the salute. Since Huerta persisted in his refusal, the President, with the approval of Congress, ordered Admiral Mayo to take Vera Cruz. This was done at the cost of twenty-one American and nearly two hundred Mexican lives. Diplomatic relations between the two governments were broken off at once, and the American army and navy began to make preparations for war.

*Wilson
accepts the
mediation
of the ABC
Powers*

Wilson had been sympathetic with the Mexican people in their efforts at political and social reform and had been earnest and sincere in his desire to help them. Whatever effect these good intentions had had was now effaced. All factions were united in their hostility to

the American government. Carranza, although he was aided by it, denounced the capture of Vera Cruz. Wilson therefore found himself in an awkward position. Fortunately for him the ABC Powers (the Argentine Republic, Brazil, and Chile) came to his rescue by offering mediation. Wilson readily accepted the offer and a conference was held at Niagara Falls in Ontario. Military operations were suspended pending the deliberations of the mediators. The proposals of the conference were not accepted by Carranza, but when they were announced Huerta's authority collapsed and he left for Europe. The American forces were withdrawn from Vera Cruz (November 23, 1914).

*Downfall
of Huerta*

The downfall of Huerta did not result in peace for Mexico. Revolutionary bands under Zapata and Villa kept the country in strife and confusion. Carranza professed adherence to constitutional principles and, although he was antagonistic to Wilson's policy, he was considered by Wilson as the best hope for restoring order to the strife-ridden country. To decide between the contestants Wilson called another conference of Latin American powers to be held at Washington. At this meeting there were representatives from the ABC Powers and also from Bolivia, Uruguay, and Guatemala. On the recommendation of this conference, Carranza was recognized as *de facto* president by the United States and the six participant Latin American powers. Even with the advantage of recognition Carranza was unable to restrain the revolutionary leaders and restore order. One of the most stubborn of his opponents was the bandit-revolutionary, Francisco Villa, a former adherent of his cause. Partly in spite, and partly with the hope of provoking American intervention so that he could turn the anti-American feeling to his account, Villa murdered in cold blood eighteen American engineers (January, 1916) who had gone to Mexico at the invitation of Carranza. Congress passed a resolution authorizing armed intervention and there was a strong sentiment in the United States in favor of war with Mexico. Wilson, however, did not yield to this pressure and instead accepted the promise (which was never kept) of Carranza that those responsible for the massacre would be punished.

*Recogni-
tion of
Carranza as
president*

Villa next crossed the border and shot without any provocation seventeen American citizens in the town of Columbus, New Mexico (March, 1916). Wilson, with the support of Congress, at once sent a force under General John J. Pershing into Mexico to seize Villa. He also called out 150,000 militiamen from the states to guard the frontier. The effort to capture Villa was not successful, but his activities were curbed and many lawless bands were dispersed.

*Pershing's
expedition
into Mexico*

Wilson made it clear that Pershing was to conduct the expedition "with scrupulous respect for the sovereignty and independence of Mexico." The Mexicans, however, looked upon the expedition as an invasion of their territory, and Carranza not only refused to co-operate—although he had given a reluctant consent to the expedition—but he tried in every way to hamper its success. There were clashes between the American and Mexican forces, and finally the Mexican commander threatened to attack Pershing if he advanced in any direction except toward the border.

American
forces
withdrawn
from
Mexico

The attitude of the Carranza government and the Mexican people was arousing a strong sentiment in the United States in favor of intervention. The outcry for vigorous action was led by Theodore Roosevelt and other prominent politicians. Wilson, however, withstood the clamor, being opposed in principle to any outside interference with the real wishes of the Mexican people. Furthermore, he felt that all the forces he could muster would be needed in the war with Germany which he saw approaching. Consequently, he withdrew the American forces from Mexico (by February 5, 1917).

Soon after the final withdrawal of the troops from Mexican soil regular diplomatic relations were resumed with the Carranza government, but feeling against the United States was still strong in Mexico. Carranza proved unequal to the responsibilities of his position. During his regime the people were victims of internal disorder and economic decline. As conditions grew worse, opposition to him increased until finally (May, 1920) he was overthrown and murdered. A few months later (September, 1920) General Alvaro Obregón, who had led the revolt against Carranza, was elected president. Since the new regime, like that of Huerta, had been ushered in by murder and revolution, Wilson could hardly be expected to recognize it as a *de facto* government. Furthermore, his administration did not have long to go, and therefore, like President Taft, he left this responsibility to his successor.

President Wilson was sincerely desirous of allowing the Mexican people to work out their own destiny, but the means employed for implementing his policy were not always wise. Consequently, the result was a feeling of violent antagonism toward the United States by the government and people of Mexico. Among the other Latin American peoples, however, there was a better feeling toward and less fear of the "Colossus of the North." The change had been brought about by Wilson's patient forbearance in dealing with the obstinate and at times unreasonable Carranza and by his willingness to accept the advice and co-operation of other Latin American countries. By co-operating with them in attacking the knotty

Mexican problem he was virtually accepting the contention of these powers that the Monroe Doctrine should be Pan-Americanized, that is, it should be upheld jointly by all the governments of the Western Hemisphere and not by the United States alone.

The relations between the United States and her southern neighbor were further complicated by the adoption in 1917 of a new constitution for Mexico. This constitution provided for the restoration of self-government to the people, the return of communal lands to the Indian villages, the division of large landed estates, and the expropriation by the state of all mineral deposits, including those of petroleum. Church and state were to be separated and the Roman Catholic Church deprived of its lands and some of the privileges it had enjoyed under Diaz. American citizens who owned large landed estates or mineral rights in Mexico feared that their property would be taken over for public use, and probably without adequate compensation. The Catholics of the United States also felt that the Catholic Church had not been fairly dealt with. For these reasons President Harding postponed recognition of the Obregón regime. However, the Mexican government did not for a time adopt any vigorous measures to carry out these clauses of the constitution, and so the door to an understanding was left open. Obregón was gradually gaining a stronger hold on his country and bringing about a condition of law and order. Finally (1923) an agreement was reached adjusting American claims for land confiscations and promising that the provisions of the constitution would not apply to mineral lands acquired and improved by Americans before 1917. President Harding thereupon recognized the Obregón government.

*The new
constitution
of Mexico*

WILSON'S CARIBBEAN POLICY

Another problem which was a leftover from the preceding Administration was the question of Nicaragua. Taft, carrying out the Roosevelt policy of guarding the Canal, had negotiated a treaty with Nicaragua granting naval bases to the United States and the exclusive right to construct a canal across Nicaragua. For these concessions the United States was to pay \$3,000,000, most of which would fall into the coffers of American capitalists to whom the Nicaraguan government was indebted. The treaty, which had not been ratified by the Senate, was accepted by Bryan and Wilson, and provisions were added permitting armed intervention by the United States under certain conditions. The Senate rejected the intervention provisions but ratified the other clauses of the treaty (1916). Since American bankers would profit by the agreement it was

*The treaty
between the
United States
and
Nicaragua*

considered by many as another example of dollar diplomacy. The *New York Times* stated that this treaty made the dollar diplomacy of Taft look like ten-cent diplomacy. But inasmuch as it secured the Panama Canal against the competition of a Nicaragua canal owned by a foreign power, the advantages of the agreement, in Wilson's opinion, outweighed the objections that might be raised on the score of dollar diplomacy.

*Interven-
tion in
Haiti*

In order to guard the Panama Canal against possible attack and to protect the lives and property of American citizens, Wilson took other measures in apparent conflict with the good-neighbor policy which he preached and really longed to practice. His next problem in the Caribbean area was posed by the republic of Haiti. In this little state insurrections were so frequent that revolution had become almost a chronic condition. The outbreak of 1915 was, however, more bloodcurdling than usual. The President, General Guillaume Sam, after having massacred about 160 of his people, was murdered in horrible fashion and the country was thrown into disorder. Fearing that Germany or some other power would take advantage of this disrupted state of affairs to get a base against the Panama Canal, President Wilson intervened to restore order. Marines were sent in and Haiti was forced to sign a treaty (1915) by which it became virtually a protectorate of the Washington government. By this policy of intervention the Americans gave the island peace and prosperity but only at the cost to the Haitians of considerable bloodshed. Thus Wilson had come—against his will—to adopt the Roosevelt Corollary of the Monroe Doctrine, which had first been applied in Santo Domingo a decade earlier.

*Marines
sent to the
Dominican
Republic*

A year later (1916) unsettled conditions in the Dominican Republic led once more to the landing of United States marines in that country. The government was turned over to American naval officials who established a dictatorship. As a partial compensation for this highhanded policy, marked improvements were made in the economic and social life of the people. Roads were built, schools established, and health conditions bettered. These improvements brought prosperity and better living standards to the people.

*The Tolls
Controversy*

Closely associated with Wilson's Caribbean policy was the question of tolls to be collected from ships using the Panama Canal. According to an announcement by Colonel Goethals the Canal would be open to traffic in 1914. In anticipation of that event Congress had passed and President Taft had signed a bill (August, 1912) exempting American ships engaged in coastwise trade from the payment of tolls when going through the Canal. The British foreign office

contended that this was a violation of the Hay-Pauncefote Treaty (signed between Great Britain and the United States in 1901). In support of this contention it cited the following clause in the treaty: "The canal shall be free and open to the vessels of commerce and of war of all nations . . . , on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise."

The act exempting American vessels from the payment of tolls had been endorsed in the campaign of 1912 by the platforms of both the Democratic and Progressive parties, and Wilson in a public speech had declared in favor of the act. At that time, however, he had not given due thought to the international aspects of the question and had advocated exemption on the ground that it would enable water carriage to compete with land carriage and thereby reduce railroad rates to Western farmers. Before his inauguration he had become convinced that the act was wrong both economically and diplomatically—that it would only benefit a private monopoly and was a violation of the treaty with England. He therefore made a strong fight in favor of repealing the act of 1912. Finally, in June, 1914, Congress complied with his request and repealed the act exempting tolls on American vessels. In urging repeal, the President intimated that it would aid him in carrying on some important diplomatic negotiations of a delicate nature. It was later discovered that the act of repeal had been of great service to Wilson in winning British support of American policy in Mexico.¹

Efforts on the part of the American government to acquire the Virgin Islands were in line with the general policy of protecting the Panama Canal by preventing any possible enemy from gaining naval bases near it. As early as 1867 Secretary Seward had negotiated a treaty with Denmark for the purchase of her West Indian possessions, but the treaty was never ratified by the American Senate. By the end of the century the expansionist sentiment in this country was urging the acquisition of these islands. This sentiment was strengthened by reports (based on fact) that Germany was trying to acquire them as a naval base in the Caribbean. This new attitude led to the negotiation of a treaty for the purchase of the islands for \$5,000,000 (January, 1902). The treaty was ratified by the Senate but rejected by the upper house of the Danish Parliament. It was not until a decade and a half later that the purchase of the Virgin

The purchase of the Virgin Islands

¹ See Charles Seymour (ed.), *The Intimate Papers of Colonel House* (Houghton, Mifflin Co.), I, 191-206; Baker and Dodd, *op. cit.*, I, 92-93.

Islands was finally effected. By a treaty agreed to in 1917 the United States paid the exorbitant price of \$25,000,000 for this small area of land; but inasmuch as the acquisition prevented the transfer of the islands to another power and afforded a valuable air and naval base, the bargain was a good one after all.

PART VI

From Intervention to Isolation

CHAPTER XXIII

America as a Neutral

BACKGROUND OF THE WAR

AS has already been noted (see pp. 387 ff.), at the beginning of the twentieth century there were many influences favorable to universal peace. High on the list of peace advocates stood the Secretary of State, W. J. Bryan. Not only did he make eloquent public addresses in favor of world peace, but he also presented a plan for implementing the peace sentiment. In pursuit of this aim he negotiated conciliation agreements between the United States and thirty other nations. In these treaties it was stipulated that all disputes which could not be settled by diplomacy should be referred to an international commission for investigation. The contracting parties were pledged not to resort to hostilities until the investigations and a report on them had been made, which report must be rendered within one year. It was thought that this delay would result in a cooling off of the war fever. The agreements were therefore known as "cooling-off" treaties. Bryan first assured himself of the acceptance of the proposal by the Senate by obtaining the approval of its Committee on Foreign Relations. He also explained his plan to the diplomatic corps in Washington (April, 1913). Thanks to these wise precautions and the willingness of the powers to make this gesture in favor of world peace, he was able to secure acceptance of the plan by thirty powers.

The "cooling off" treaties

Unfortunately, the efforts put forth by Bryan and other peace-makers were not equal to the forces making for disunity and possible strife. Especially dangerous was the strong trend toward nationalism, imperialism, and militarism. There was a feeling that every group united by language and historic tradition should be organized as a political entity or nation. In the nineteenth century this spirit of nationalism had been an important factor in the unification of Italy and Germany and had therefore been considered a blessing. But it had been a disintegrating force in Austria-Hungary, causing serious dissatisfaction among the minority groups, such as the Czechs, Slovaks, and South Slavs, who wanted to be formed into separate nations. It also accentuated the chronic jealousies of the Balkan states. One aspect of nationalism was a narrow, selfish patriotism

Nationalism

which caused each power to look after its own interests with little or no regard for the rights of other countries. Urged on by an undisciplined nationalism, each country was aggressive in the effort to annex lands occupied by peoples of its own stock.

Imperialism

The spirit of expansion, however, did not confine itself to efforts at incorporating in each country peoples of the same stock. It took a more sinister turn in the form of imperialism. Imperialism was the logical outcome of the rapid development in industry made in all advanced countries in the last decades of the nineteenth century and in the early years of the twentieth. To keep the factories going at full speed there was need for large and growing supplies of raw materials and a constantly expanding market for finished products. The so-called backward countries—those that had not become industrialized—not only supplied raw materials in abundance but also furnished markets for manufactures. There was, therefore, strong competition between the European powers in their efforts at economic penetration or political control in these undeveloped countries. Germany, owing to the fact that she did not attain national unity until late in the nineteenth century, had lagged behind France, Britain, and other European powers in colonial expansion. She was therefore especially aggressive in her aims to build up a colonial empire—to win for herself “a place in the sun.”

Militarism

Out of these economic and political rivalries there gradually grew up a feeling of mutual distrust and fear among the European powers. Each of the great powers felt that its safety and prosperity were dependent upon its capacity for self-protection. This led to a race in building up armies and navies and in the production of war supplies. Britain had the strongest navy and looked to it to guard the lanes to all portions of her empire and the lines of communication to other countries. Germany had the strongest army and was rapidly enlarging her navy, looking forward to “the Day” when she could challenge England’s supremacy on the sea. With military affairs engaging so much public attention, it was only natural that there should grow up a warlike attitude on the part of the people. Militarism was thus an important factor in preparing the psychosis of war. In Germany especially there was a strong belief that successful war is a blessing, for in a series of short and successful wars Germany had enlarged her borders, created national unity, and emerged as the leading power of Continental Europe.

The Triple Alliance

If a spirit of give and take had characterized European relations, all of these difficulties could have been surmounted and war averted. There was, however, no general clearinghouse for the settlement of international differences. By 1914 the leading European powers

pursuit of her aims there, Austria-Hungary in recent years had performed acts of aggression which aroused the jealousy of Russia and the bitter hostility of Serbia.

THE WAR BEGINS

The assassination of Francis Ferdinand

The year 1914 thus found Austria-Hungary and Serbia living on terms that are unsafe for neighbors. Public sentiment was inflamed in both countries and an untoward event might cause an outburst of feeling and bring on war. Such an event was the assassination of the Archduke Francis Ferdinand, heir-apparent to the throne of Austria-Hungary. The crown prince and his wife were killed on June 28, 1914, at Sarajevo, the capital of Bosnia, by pistol shots fired by two Serbian subjects of Austria-Hungary.

The Austro-Hungarian ultimatum to Serbia

Austria-Hungary charged the Serbian government with responsibility for the assassination, but the evidence submitted at the time did not prove the accusation.¹ It afforded the stronger power, however, a good excuse for punishing her small neighbor, and the Dual Monarchy decided to take advantage of it; but before taking such an important step the approval of Germany had to be secured. This was easily obtained when on July 5 the German imperial government gave the notorious "blank check" to the government of the Dual Monarchy. It announced in advance its entire approval of any action that Austria-Hungary might consider necessary to take against Serbia. Emboldened by this promise of support, the Dual Monarchy sent an ultimatum to Serbia making strong and unreasonable demands. If a satisfactory answer promising full compliance with these demands were not received in forty-eight hours diplomatic relations would be broken off. The Entente powers regarded these demands as unreasonable, and Russia declared that Serbia could not comply with them without compromising her independence. Serbia sent her reply just before the end of the forty-eight hour limit. She met most but not all of the demands of the ultimatum. The Dual Monarchy therefore at once broke diplomatic relations with Serbia and two days later declared war on her (July 28, 1914).

¹ Evidence uncovered after the war, however, supports the claim that the prime minister and other members of the Serbian Cabinet had foreknowledge of the plot and made an unsuccessful effort to prevent the assassination. They also advised against the crown prince's appearing at Sarajevo at that time. This advice was not heeded by the Austrian authorities inasmuch as the mild "warning" was not accompanied by a factual statement as to the plot. The secret society which formed the plot was so strong that the Serbian Cabinet was afraid to antagonize it to the extent of making a detailed exposure of its plans, although it strongly disapproved of the assassination. Owing to its refusal to transmit to the Austrian authorities its knowledge in full of the plot, the Serbian Cabinet has not been able fully to clear itself of the charge of complicity in the crime.

If Russia had been willing to allow Austria-Hungary a free hand in Serbia the war doubtless would have been confined to those two countries; but there was a strong feeling among the Russian people that they should not desert their brethren in Serbia. Besides, the Russian government felt that if it allowed Serbia's independence to be compromised it would lose its position in the Balkans and the hegemony of these states would belong to Austria-Hungary in the future. Therefore Russia had announced right in the beginning that if France would support her she would intervene in case Serbia were attacked. After Austria-Hungary had declared war on Serbia, the Russian government, considering conflict now inevitable, sent out an order for the general mobilization of its forces (July 30). The German Chancellor regarded Russian mobilization as the first step in hostilities toward his country, and therefore sent an ultimatum to Russia demanding the cessation of her mobilization within twelve hours. Russia made no answer to this demand, and Germany declared war on Russia on August 1. Five days later Austria-Hungary followed her ally in a declaration of war against Russia.

*Attitude of
Russia to-
ward the
Austro-
Serbian
quarrel*

*Germany
declares
war on
Russia*

Since France was bound by the Dual Alliance to come to the aid of Russia if the latter were attacked by the Central Powers, Germany sent an inquiry (virtually an ultimatum) as to what would be France's attitude in case of war between Germany and Russia (July 30). The French foreign office replied that "France would do that which her interests dictated." This reply was, of course, unsatisfactory and Germany declared war on France (August 3).

*Germany
declares
war on
France*

The German military plan called for a rapid invasion of France with the view to forcing her to surrender before the slow Russian military machine could get into running order. To do this it would be necessary to march through Belgium and attack France's exposed flank. A direct attack was not to be considered since the French had strongly fortified the line that separated them from the Germans. The German army, therefore, despite the opposition of Belgium, invaded that country (August 4).

*Belgium
invaded by
the
German army*

The invasion of Belgium brought Great Britain into the war against Germany. Britain, as well as Germany and other European powers, was bound by treaty commitments to respect the neutrality of Belgium. Furthermore, Belgium could easily serve as a base of attack on England, and for a long time it had been the policy of Britain to oppose every effort of a strong aggressive power to get a footing in Belgium. Accordingly, she declared war on Germany and thus brought the British commonwealth of nations in on the

*England
declares war
on Germany*

side of the Allies. The Balkan war had now developed into a European war and was soon to widen into a world conflict.¹

EFFECT OF THE WAR ON AMERICA

*Conditions
now similar
to those
during the
Napoleonic
wars*

The United States was facing a situation similar to the one with which it was confronted during the Napoleonic wars of more than a century before. Now as then Europe was devoting its main energies to war and was largely dependent upon outside countries for shipping, food, and other supplies. In both cases the United States, as the leading neutral, played an important part in meeting this demand. The expansion of the market for American products in both instances brought on a period of prosperity in this country. During the Napoleonic wars England controlled the seas and by the use of the blockade tried to exclude foreign products from the part of Europe occupied by the French forces. Napoleon in like manner attempted to cut off England from all neutral trade. In pursuit of these aims both sides violated international law and disregarded the rights of neutrals. England again had naval superiority and was resolved to make the best possible use of it against the enemy. The reaction of the Central Powers to this policy was to be similar to that of Napoleon in his struggle with the Mistress of the Seas.

*Wilson
proclaims
neutrality*

In the earlier time the United States, under the leadership of Jefferson and Madison, tried to uphold its rights by resorting first to peaceable coercion and then to war. President Wilson was therefore confronted with a problem not unlike that with which Jefferson and Madison had had to deal. Whether he would follow the example of these predecessors or chart a new course remained to be seen. The first step taken by him was to announce on August 4, 1914, that the attitude of this country would be that of strict neutrality toward the belligerents. This announcement was repeated as each of the other countries came into the war. In committing the government to an official neutrality the President was acting in entire harmony with public sentiment in this country. There was a general feeling that the war was of no direct concern to us and that our part

¹ Italy did not join the Central Powers in the war, contending that she was not bound by her obligations under the Triple Alliance to aid her allies since this was not a defensive but an aggressive war. She therefore remained neutral until May, 1915, when she declared war on Austria-Hungary. Fifteen months later (August 27, 1916) she declared war on Germany. Japan soon entered the war on the side of the Allies (August, 1914), and after a short period of dubious neutrality Turkey entered the war on the side of the Teutonic Allies (October 31, 1914). Serbia and Montenegro continued as allies of the Entente Powers, and Rumania and Greece later came in on the same side. Bulgaria, however, fought with the Teutonic Allies. Others of the lesser powers were nominally belligerent on the side of the Allies, although they made only a minor contribution to the war effort.

in it would only be to sit comfortably on the sidelines and watch the gory contest. It soon became evident, however, that the American people were not viewing the game as indifferent spectators but as enthusiastic "fans." The President in a public address (August 19) urged the American people to be "impartial in thought as well as in action" and to put a curb upon their "sentiments as well as upon every transaction that might be construed as a preference of one party to the struggle before another."

This injunction as to neutrality of thought and sentiment fell on deaf ears. Public opinion from the beginning was strongly in favor of the Entente Powers, the Allies, as they were called. This was due to a number of causes. Germany was regarded as the outstanding champion of militarism and a zealous advocate of autocracy in government. Therefore the success of the Central Powers would mean a victory for absolutism and militarism and a defeat for democracy and the cause of world peace. It was generally believed that Austria and Germany had started the war and were prosecuting it with undue ruthlessness. The cruelties practiced by the Teutonic belligerents were by British propaganda exaggerated into horrible atrocities. Germany's invasion of Belgium without provocation and in violation of a treaty—which the German Chancellor had termed a "scrap of paper"—was considered an inexcusable breach of national honor and a highhanded infringement of the rights of a weak power.

Sentiment in favor of France, which traced back to the aid given to America in her struggle for independence, was intensified by the trying experiences which the German invasion was bringing to the country of Lafayette. The American people also now became conscious of the bond that held them to their English-speaking kinsmen. The culture of the two groups was based to a great extent on the same religious, political, and social ideals and had drawn inspiration from the same literary masterpieces, the works of such writers as Shakespeare, Milton, Scott, and Dickens. It is true that the biased school histories had done much to keep alive the hostile feeling generated by the Revolutionary War and the War of 1812 and had therefore covered over this fundamental solidarity with a layer of ill will. But there had been a strong trend in the opposite direction growing out of the efforts made by the British government during the two previous decades to cultivate cordial relations with the United States. Therefore, in this time of danger to the old homeland, Americans of English descent began to realize that "blood is thicker than water."

Sentiment in favor of the Allies was far from unanimous, however. Americans of German ancestry as a rule sympathized with the

*Sentiment
in United
States
favorable to
the Allies*

*Pro-German
sentiment*

Fatherland and felt that the Teutonic powers were fighting a defensive war in an effort to break the iron ring with which the Entente Powers had encircled them. Irish Americans were usually anti-British and sometimes their opposition to the British went to the limit of pro-Germanism. There were also some representatives of the old stock who, still nursing historic grievances against the mother country, were unfriendly in feeling toward the Allies.

THE ANGLO-AMERICAN DISPUTE OVER NEUTRAL RIGHTS

*Causes of
friction*

Sympathy in this country for the Allied cause did not, however, prevent friction from arising between the British and American governments. The Allies were resolved to use their naval superiority to prevent the Central Powers from receiving outside supplies. The German navy was in control of the Baltic Sea and Germany therefore could carry on trade with the Scandinavian countries as well as with Holland and Denmark. Since these neutral countries served as back doors for the admission of foreign goods into Germany, England could not carry out an effective blockade. She determined, however, to bring about the same result by other means. In so doing she adopted policies which the American government considered a violation of international law and an infringement of neutral rights.

*Extension
of contra-
band*

One such practice was the extension of the list of contraband articles beyond what in American opinion was allowed by international law. Among the unusual articles in this list were food products, which had been included for the alleged reason that the German government had taken over all grain and flour for distribution among civilians and servicemen. It was therefore impossible (according to their contention) for the Allies to make a distinction between the food supplies intended for the civilian population and those that would go to the army.

*The blockade
of neutral
ports*

The seizure of contraband goods did not, however, stop the indirect trade with Germany through the adjacent neutral countries. American exports to Denmark, Holland, Norway, and Sweden were increasing by leaps and bounds and the excess over normal times was, of course, going to Germany. To put a stop to this trade the Allied governments announced (March, 1915) that thereafter they would "detain and take into port ships carrying goods of presumed enemy destination, ownership, or origin." All ships bound for countries contiguous to Germany were searched and all cargoes seized which in the opinion of the inspectors would ultimately reach Germany, even though they were to be landed first at a neutral port. The countries adjacent to Germany were allowed a quota of imports equal to the amount received by them before the war. All amounts

in excess of this quota were considered as going to Germany and were diverted to the Allies. This plan of rationing the northern neutrals was giving the doctrine of final destination an unprecedented extension.¹ This pseudo-blockade of neutral ports met with strong objection from the United States and other neutrals.

The United States contended that the methods employed by the Allies in carrying out their policies were not in keeping with international usage. Objection was also made to the allied practice of opening American letters going to continental Europe, on the ground of preventing helpful information from reaching Germany from America.

*Objection-
able methods
of search*

The Allies attempted to justify their restraints on neutral commerce partly on the ground that they were in keeping with the spirit if not the letter of international law and partly on the ground that they were measures in reprisal for Germany's violations of international law. These explanations were not accepted by neutrals as satisfactory reasons. The American State Department objected to these violations of neutral rights but did not in its opposition go beyond protests, which were filed only to serve as legal claims for damages at the end of the war. If it had resorted to economic pressure it could have brought England to terms. By an embargo on arms and other materials needed by the Allies the American government could have forced England to yield to its demands; but if Wilson, following the precedent set by Jefferson more than a century before, had employed this method of peaceable coercion he would have crippled the war effort of the Allies and helped the Central Powers toward a possible victory. To Wilson, Lansing, and the other leading officials at Washington such a victory would have been a calamity for the United States as well as a disaster to Europe; for in their opinion the future prosperity and security of this country were bound up with the success of the Allied cause. Furthermore, an embargo would have worked a greater injury to American commerce than that caused by the Allied restrictions. The British authorities carried out the objectionable policy in such a way as

*The United
States re-
frains from
economic
pressure;
reasons*

¹ During the Civil War the authorities of the United States seized contraband articles going finally to the Confederacy although they were consigned to a neutral port. The contention was that the final destination being enemy country, such articles were subject to seizure. This right was not claimed, however, for noncontraband goods unless the last lap of the journey was by water. For example, Federal officials seized articles, both contraband and noncontraband consigned to Nassau but ultimately going to a Confederate port by sea. They did not, however, seize noncontraband goods bound for a Mexican port to be transported overland to the Confederacy. The British government extended the doctrine so as to apply it to noncontraband bound for a neutral port to be transported overland to enemy territory. They also seized noncontraband articles en route to Scandinavian ports to be transshipped across the Baltic to Germany.

to cause as little loss to individuals as possible. American shipowners also soon learned how to adjust their plans to the Allied regulations without any great inconvenience. Then, too, the loss of the German market was more than compensated for by the increased demand of the Allies for American products. The ready sale of American goods at high prices in Allied markets was sustaining a marvelous prosperity in America. It could hardly be expected that the government would jeopardize this prosperity by going the limit in insisting on rights which at the time were academic rather than practical; for in actual practice the Allied policy was hurting the pride more than the profits of the American people.

Tense relations between England and the United States

Despite the patient forbearance shown by the State Department, at times relations became tense between the United States and the Allies. The ill feeling growing out of this friction was cumulative, and by the fall of 1916 public sentiment in the United States was veering away from the Allies. Even Wilson's patience was wearing thin. He had been sorely disappointed over the refusal of the Allies to give favorable consideration to his peace offer, made in February of that year (see p. 485). It had caused him to question whether the Allies were not as selfish as the Central Powers in their war aims. This feeling of disappointment was accentuated by the Allied announcement in July, 1916, of a blacklist which included eighty-five American establishments. All firms on this blacklist were denied the privilege of trade with firms in Allied countries. This "stupid blunder," as he termed it, had an extremely bad effect on Wilson. On July 23, he wrote: "I am, I must admit, about at the end of my patience with Great Britain and the Allies. This blacklist business is the last straw." He was now ready to use economic pressure against the Allies. These tensions, however, never led to drastic action because whenever they were at their height Germany made a move in her submarine policy which diverted American resentment from the Allies to the Central Powers.

THE FIRST SUBMARINE CONTROVERSY

Germany's war-zone proclamation

During the first six months of the war no serious issue arose between the United States and the Central Powers. The American controversy with Germany began on February 4, 1915, at which time the German government issued a proclamation declaring the waters around the British Isles a war zone. All enemy ships found in this zone on and after February 18, 1915, were to be "destroyed without its being always possible to avert the dangers threatening the crews and passengers on that account." The proclamation went on to recite that even neutral ships would be "exposed to danger

in the war zone as in view of the misuse of neutral flags ordered on January 1st by the British Government and of the accidents of naval war, it cannot always be avoided to strike even neutral ships in attacks that are directed at enemy ships." Neutral powers were "accordingly forewarned not to continue to entrust their crews, passengers, or merchandise to such vessels." In short, this was a warning that neutrals would run a serious risk of losing their lives and their ships if they should venture into the war zone. The excuse given for this defiance of international law was that it was a retaliatory measure necessitated by Britain's restrictions on German trade. Great Britain, it was alleged, had violated international law by declaring the North Sea a war area, by extending unreasonably the lists of contraband of war, and by refusing to abide by the Declaration of London.¹

The United States government felt that it could not acquiesce in this infringement of its rights as a neutral and so protested vigorously against the proposed policy in a note dated February 10, 1915. It took the position that a belligerent's rights as to neutral ships on the high seas are confined to "visit and search unless a blockade is proclaimed and effectively maintained." Inasmuch as the proclamation did not provide for that, Germany had no warrant under international law to sink an American ship. The note therefore sounded a clear note of warning to the German government, stating that in case American ships or lives were destroyed the "Government of the United States would be constrained to hold the Imperial German Government to a strict accountability for such acts of their naval authorities and to take any steps it might be necessary to take to safeguard American lives and property. . . ."

The "strict accountability" note

A way out of the difficulty was suggested by the American State Department. Shortly after the "strict accountability" note was sent, Secretary Bryan in identic notes to Germany and England (February 20) suggested that Germany agree to restrict her mine-laying practices and submarine attacks on merchant vessels, and that Britain stop the use of neutral flags and allow foodstuffs to go into Germany. At first both sides seemed indifferent to the proposal. Later, however, after the sinking of the *Lusitania*, the British Cabinet was favorably

Bryan's proposal

¹ The Declaration of London was a codification of the rules of naval warfare as agreed upon by representatives of the ten leading maritime states at a conference held in London in the winter of 1908-09. The Declaration, however, had not been ratified by all the countries represented at the conference and therefore did not have the binding force of international law. Great Britain was one of the powers which had not ratified the principles of the Declaration, although her representatives had signed it. She refused to accept it because, being the strongest naval power of the belligerents, the restrictions would bear most heavily upon her. She especially objected to those clauses dealing with contraband of war.

disposed toward it; but when Ambassador Gerard submitted the proposal to the German foreign office he was informed that the German government would not consider it unless raw materials as well as food were given free access to Germany. The Minister of Foreign Affairs also added that Germany was in no need of food.

*Germany's
proposed
policy
against
international law*

The policy announced by the German foreign office would, if enforced, be clearly a violation of international law. The Central Powers were not maintaining an effective blockade of the British Isles, as numerous vessels came to and went from the British ports after the announcement of the new policy. Germany, therefore, did not even have the right to seize a neutral vessel on the high seas (including in that term the war zone) unless it carried a cargo of contraband. A belligerent did have, however, the right to seize enemy merchant ships and even to destroy them provided it was not feasible to bring them before a prize court. There had also been precedent in favor of the right of a belligerent to destroy in extreme cases neutral vessels carrying contraband; but in all cases no merchant vessel, neutral or enemy, could be destroyed until adequate provision had been made for the safety of all persons on board. Germany's defense of her policy rested on the contention that the submarine cannot be effective if international law is observed and, therefore, an exception ought to be made in its favor. The American government took the position that the dictates of humanity and the time-honored principles of international law should be upheld even at the cost of submarine efficiency. The fact that the submarine was placed at a disadvantage by virtue of England's sea methods did not in the least relieve Germany of the obligation to respect the rights accorded to neutrals by international law. The United States was in no wise responsible for nor obligated to relieve the embarrassment in which the submarine was placed by British practices, even if those practices had overstepped the limits prescribed by international law.

*The sinking
of the
Lusitania*

The submarine controversy entered upon the acute stage when Germany proceeded to act upon the policy outlined in her note of February 4. The American government soon made complaint against Germany because of the destruction of two American ships and the loss of four American lives. These minor grievances were soon reduced to comparative unimportance by the greater issue created by the sinking of the *Lusitania* on May 7, 1915. The *Lusitania*, an unarmed British merchantman, was sunk off the coast of Ireland by a German submarine and nearly twelve hundred lives were lost, one hundred and twenty-eight of them being Americans. No warning

had been given¹ and no effort was made to save the lives of the passengers and crew. Although the *Lusitania* had munitions of war on board, the sinking of the vessel was a plain violation of international law and the kind of act for which Wilson had threatened to hold Germany to a strict accountability.

The sinking of the *Lusitania* aroused an intense feeling of indignation against Germany throughout the entire United States. The press, except that part of it which had strong pro-German leanings, was virtually unanimous in its condemnation of the awful tragedy. Influential newspapers called it an "outrage," "deliberate murder," and a "massacre." The Louisville *Courier-Journal* declared that "nothing in the annals of piracy can in wanton and cruel ferocity equal the destruction of the *Lusitania*." There was also a strong feeling, especially in the East, that the United States should declare war at once. Wilson could probably have led the country into war at that time just as Jefferson could have done a century earlier, when the *Chesapeake* was attacked by the *Leopard*.

Indignation
of the
American
people
aroused

Wilson, however, decided that he would not be stampeded into war. Although not a pacifist, he was resolved if possible to spare his people the horrors of war. Furthermore, the country was not prepared for war either militarily or psychologically. In certain sections, especially of the South and West, the prevailing sentiment at that time was not in favor of war. A war over the *Lusitania* would probably not have had behind it that unanimity of sentiment without which no nation should ever risk the uncertain outcome of armed conflict. Wilson, therefore, resolved to try negotiation as a means of upholding American rights. He took a firm position in demanding that the German government disavow the act and apologize for it; make provision for a just indemnity for the loss of American lives; and give guarantees for the future safety of American citizens on the high seas. The negotiations were continued for several months and finally resulted in a diplomatic victory for the United States. During this long period of negotiation Wilson was at times the target of much hostile criticism by the advocates of sterner measures, who complained that he was clicking the typewriter when he should have been rattling the sword. The President gave encouragement to this criticism by stating in a public address (May 10), just before the first *Lusitania* note was sent, that the "example of America

Wilson's
action

¹It is true that on the morning of the day the *Lusitania* left New York there was published as an advertisement in the New York papers a notice, signed by the German embassy at Washington, which warned American citizens against taking passage on any enemy ship going through the war zone. This, however, was not a warning in the international sense of the term and little or no heed was paid to it by prospective passengers.

must be the example not merely of peace because it will not fight, but of peace because peace is the healing and elevating influence of the world and strife is not. There is such a thing as a man being too proud to fight." If these lofty sentiments had been uttered under different circumstances they would doubtless have been highly acclaimed; but coming at this time, they were in some quarters construed as the announcement of a pacifistic policy. Nor was this impression fully removed when Wilson soon afterward declared that his statement had no reference to the sinking of the *Lusitania*.

Bryan's
position
and action

In course of the negotiations over the *Lusitania* three vigorous notes of protest and warning were sent from the American State Department to the German foreign office. The first of these, prepared by Wilson with the aid of Robert Lansing, Counselor of the State Department, was reluctantly signed by Secretary Bryan. The latter felt that the President's policy was too aggressive and might lead to war. He suggested that the American government put restraints on the right of its nationals to sail on belligerent merchant vessels going through the war zone or on neutral ships carrying munitions of war. "Germany," he contended, "has a right to prevent contraband going to the Allies, and a ship carrying contraband should not rely upon passengers to protect her from attack—it would be like putting women and children in front of an army." He also wanted to submit the dispute with Germany to arbitration and send a note of protest to Britain before dispatching the second note to Germany. President Wilson did not accept these suggestions but continued a vigorous policy toward Germany. His position as stated in a communication to Congress was that if the American government should accept a single abatement of right "many other humiliations would certainly follow, and the whole fine fabric of international law might crumble under our hands piece by piece." The second *Lusitania* note was so strong that Bryan could not conscientiously sign it. He therefore resigned his post and was succeeded by Lansing.

The Arabic
pledge

While the *Lusitania* case was still under discussion, another serious cause of dispute arose between Germany and the United States. On August 19, 1915, the British unarmed steamer *Arabic* was torpedoed by a German submarine near the place of the destruction of the *Lusitania*. It was bound for New York, was unarmed, carried no contraband, and was sunk without warning. A considerable number of the crew and passengers, including two Americans, lost their lives. The German foreign office seemed to appreciate the seriousness of the situation and to fear that the American government would take a determined stand against this untoward act. Consequently, Count Bernstorff, the German ambassador at Washington,

in a communication to Secretary Lansing in reply to his last *Lusitania* note, declared (September 1) that he had been instructed to make for his government the pledge that German submarines would not in the future sink liners, unless they should resist attack or try to escape, until adequate provision had been made for the safety of noncombatants. This pledge, while not a settlement of the *Lusitania* case, was an acceptance of the main point contended for by Wilson and therefore made possible a more leisurely conduct of further negotiations. Later (October 5) the German government declared its willingness to disavow the sinking of the *Arabic* and pay indemnities for the American lives lost.¹

Another cause of disagreement between the United States and Germany was the sale of munitions of war to the Allies in immense quantities by American corporations. This dispute was closely connected with the submarine controversy since the main purpose of the submarine campaign was to cut off these and other supplies from the Allied nations. Great Britain's control of the sea prevented Germany from purchasing munitions of war from this country. This caused German sympathizers, as well as some others, to agitate in favor of the prohibition by the American government of the export of arms and ammunition. Encouraged by this agitation, the Teutonic allies protested against this trade, contending that our government should lay an embargo on arms if it were to maintain a really neutral attitude toward the belligerents.

The controversy over the sale of munitions

The American government in its replies took the position that a neutral power has no right to change its neutrality laws during a war provided such a change would affect unequally its relations with the belligerents; that an embargo on arms laid by the American government would be such a change; and that this opinion is upheld by a very large majority of the authorities on international law and is explicitly confirmed by an article of The Hague Convention. Besides, it has been the universal practice for nations to permit the sale of munitions to belligerents, a practice in which both Germany and Austria have engaged in previous wars. An important practical reason given was that the United States does not maintain in time of peace a large military establishment or stores of arms and ammunition sufficient to repel invasion by a powerful enemy. It has therefore "always depended upon the right and power to purchase arms

¹ Negotiations regarding the *Lusitania* were continued in the form of conversations between Ambassador Bernstorff and Secretary Lansing until February, 1916, when an agreement had nearly been reached. At this time, however, the German government announced (February 10) its intention to treat armed merchantmen as war vessels. Since this announcement canceled all pledges in so far as they applied to merchant vessels carrying arms, even for defense, Secretary Lansing refused to accept the German offer, and so the controversy remained unsettled.

Sabotage

and ammunition from neutral nations in case of foreign attack. This right, which it claims for itself, it cannot deny to others."¹

Having failed to stop by diplomacy the flow of munitions from the United States to the Allies, the Teutonic belligerents resorted to intrigue and sabotage as a means of striking at the American source of Allied military supplies. By the use of German spies and pro-German American agents, plots were formed for the purpose (according to Secretary Lansing) of hampering the British along the Canadian border, sinking ships destined for Allied ports, purchasing or forging American passports for the use of German and Austrian reservists in the United States, preventing the manufacture and transportation of war supplies to the Entente Powers, and stirring up strife in Latin America against the government of the United States.²

In support of this serious indictment Lansing could point to explosions in munition factories³ and an attempt to blow up the international bridge at Vanceboro, Maine (February, 1915). These underhand efforts to disrupt the American munitions industry aggravated the ill feeling in this country against the Teutonic belligerents and went far toward arousing a warlike attitude among the people. In the atmosphere of excitement and suspicion thus created it was difficult to determine which explosions were due to accident and which were caused by sabotage. The department of justice was, however, convinced of the complicity of the Teutonic governments in this underground activity. There was evidence to show that the naval and military attachés of the German embassy had had a hand in these intrigues and both were recalled at the demand of Secretary Lansing (December, 1915).⁴ Dr. Constantin Dumba, Austro-Hungarian ambassador at Washington, had also been enmeshed in the web of intrigue, and at President Wilson's request was recalled (October, 1915).

Wilson's
peace offer

Although the *Arabic* pledge had eased the tension between the United States and Germany, President Wilson felt that if the war

¹ There was another important reason for the refusal of the American government to restrain its citizens from the exercise of a right accorded them by international law, but, of course, it could not be given as an argument in a diplomatic note. This reason was that a large majority of our people were in sympathy with the Allies. Public sentiment in America would not permit the government to strain its neutrality in the interest of the enemies of our kinsmen and friends.

² Robert Lansing, *War Memoirs* (The Bobbs-Merrill Co.), 71.

³ The worst of all the explosions was the one that occurred at the Black Tom docks near Jersey City, New Jersey (July, 1916), when property to the value of forty million dollars was destroyed. While there was suspicion of German sabotage the charge could not be proved.

⁴ The dismissed military attaché, Captain Franz von Papen, lived to play an important, although inglorious, part in the Second World War as one of Hitler's henchmen.

was prolonged to a great length America would probably be drawn in. His desire to act as peacemaker was now inspired not only by the humanitarian wish to stop the bloodshed in Europe but also by the longing to spare his own country the horrors of war. Accordingly, in February, 1916, he proposed to the British foreign office through Colonel House that a conference be held to agree upon terms of peace. If Britain should agree to the proposal and Germany would not, the "United States," he said, "would probably leave the conference as a belligerent on the side of the Allies." While the terms of peace would have to be agreed upon between the belligerents at the conference, Colonel House indicated that his government would support a settlement favorable to the Allies.¹

Unfortunately, however, neither side was willing to accept peace without victory. When Ambassador Gerard sounded out the German emperor and foreign minister he learned that they would not consider any terms which did not provide for indemnities. Britain also declined the proposal and did not even submit it to her ally, France. Sir Edward Grey, the British Minister of Foreign Affairs, seemed afraid to approach the French foreign office on the subject lest France would think that England was weakening. There was a feeling that France would insist on finishing the job while she had allies. The English government may also have doubted the ability of Wilson to take the United States into the war on the Allied side even if the Allies had accepted the offer and Germany refused it. Thus the opportunity was lost of bringing the war to a close on terms favorable to a lasting peace. If a settlement in accordance with Wilson's suggestions had been reached at this time it would have left Europe in an immeasurably



Courtesy of Brown Brothers

COL. E. M. HOUSE.

¹ As Colonel House pointed out, the terms that would be acceptable to Wilson would include the evacuation and restoration of Belgium and Serbia, the return of Alsace-Lorraine to France, and the acquisition by Russia of an outlet to the sea. For her losses in Europe Germany would be compensated by colonial possessions. Wilson felt that there could be no lasting peace except on a just territorial adjustment such as this plan contemplated.

better position than that in which she was placed by the final treaties. It would have saved two years of bloodshed and destruction of property. This saving would have been worth incalculably more to the Allies than the specious gains of victory and it would have meant salvation to Germany. This rebuff led to a cooling-off of Wilson's sympathy with the Allies, for in refusing to accept his offer of intervention they had caused him to distrust their motives. It looked as if they were not willing to agree to a peace of justice.

*The sinking
of the
Sussex*

For six months the German navy observed the pledge given in the *Arabic* case and during this time there was no serious trouble between the two governments. The first dangerous menace to this peaceful relation was the sinking of the *Sussex*. The *Sussex*, an unarmed French steamer, was sunk without warning in the British Channel on March 24, 1916, and about eighty noncombatant passengers "of all ages and sexes, including citizens of the United States, were killed or injured." This highhanded act evoked a strong protest from President Wilson, who regarded the sinking as a plain violation of the *Arabic* pledge. Secretary Lansing, with the President's approval, sent a stiff note to the German foreign office which declared that:

*The United
States threat-
ens to break
diplomatic
relations*

Unless the Imperial German Government should now immediately declare and effect an abandonment of its present methods of submarine warfare against passenger and freight-carrying vessels, the Government of the United States can have no choice but to sever diplomatic relations with the German Government altogether.

*Pledge made
by the Ger-
man govern-
ment*

This threat of a break in diplomatic relations seemed to bring the German government to a realization of the gravity of the situation. Lansing's note was followed by a speech made by President Wilson before a joint session of Congress in which the same principles were emphatically enunciated. Von Jagow, the German foreign minister, was now convinced that the American government had reached the limit of its patience. If a break in diplomatic relations were to be avoided he would have to accede to Wilson's demands. Accordingly, the German government yielded, although with a very bad grace. In a note, the tone of which was rasping and almost insulting, Von Jagow made the following acceptable announcement:

The German Government . . . notifies the Government of the United States that the German naval forces have received the following orders: In accordance with the general principles of visit and search and destruction of merchant vessels recognized by international law, such vessels, both within and without the

area declared as a naval war zone, shall not be sunk without warning and without saving human lives, unless these ships attempt to escape or offer resistance.

With this pledge was coupled the statement that Germany counted on America's inducing Great Britain to "observe the rules of international law universally recognized before the war" and, if the United States should fail to induce all the belligerents to follow the laws of humanity, then Germany would reserve her liberty of action. The American State Department ignored the ugly tone of the German reply and accepted it as a virtual compliance with its demands. It pointed out, however, that President Wilson would not accept the condition laid down in the German reply but would insist that the rights of American citizens on the high seas were not in the slightest degree to be made contingent upon the conduct of any other government. "Responsibility in such matters is single, not joint; absolute, not relative."

The reservation in the Sussex pledge

By its silence the German government had apparently accepted Wilson's interpretation of the *Sussex* pledge as being unconditional. This pledge was clinched by another note (May 8) which acknowledged that the submarine commander had disobeyed instructions in sinking the *Sussex* and had "been appropriately punished." The German government also disavowed the act and offered reparation. The submarine controversy was now laid to rest for the time being and the firmness of President Wilson was rewarded with a diplomatic victory. The government, however, was committed to a policy that might lead to war. Whether the United States would remain neutral or be drawn into the conflict would now depend upon the future conduct of Germany.

A diplomatic victory for Wilson

The United States Goes to War

THE CAMPAIGN OF 1916

Why Roosevelt was not available

THE third party that was launched under such promising auspices in 1912 started on the downward road immediately after the election of Wilson. In the midterm election of 1914 it had lost more than one half of its membership in the House of Representatives. This defeat destroyed all hope of its permanency as a political organization and decided that the Progressives would in time return to one or the other of the old parties. If the regular Republican Party should nominate as its standard-bearer one with Progressive leanings the two wings of the party could be reunited. With this hope in mind some of the leaders were urging the nomination of Roosevelt. There were, however, some serious objections to him from the point of view of availability. The Republicans were expecting to win the support of the opponents of Wilson's foreign policy. The pro-Germans constituted an important element in this group, but Roosevelt had antagonized them by his aggressive anti-German utterances. There was also opposition to him from some of the conservative Republicans, who regarded him as a dangerous radical and had not forgiven him for his desertion of the cause in the previous campaign.

Hughes nominated by the Republicans

The Republican and Progressive Parties held their conventions in Chicago at the same time (June, 1916). It was hoped that both parties would name the same candidate and adopt the same platform. Roosevelt's name was presented to the Republican convention and was received with applause that lasted forty-two minutes. The balloting soon showed, however, that he could not win the nomination. On the third ballot the nomination went to Charles E. Hughes, a justice of the United States Supreme Court. Senator Charles W. Fairbanks of Indiana, a former Vice-President, was named for second place. Hughes had made no active campaign for the nomination, stating that he was not a candidate. He felt that it was not proper for him to be a party to a political fight while holding his seat on the bench of the Supreme Court. This sense of propriety had greatly enhanced his availability. It had held him back from public utterances on the controversial questions of the day and therefore he had

not antagonized the various groups that were opposed to Wilson. Furthermore, as a lawyer prosecuting the insurance companies and as Governor of New York he had shown liberal tendencies which helped him with the Progressives. Then, too, as a member of the Supreme Court he had made a record not unacceptable to the conservative wing of the party. Hughes at once resigned from the Supreme Court and accepted the nomination. He now threw away the restraints by which he had hitherto been fettered and declared himself a "hundred-per cent candidate."

The Progressives went ahead and nominated Roosevelt for President and John M. Parker of Louisiana for Vice-President. Roosevelt was by no means enthusiastic over this honor, for he felt that the Progressive movement as a third party was a lost cause. Besides, he realized that Hughes, whom he personally disliked, was nevertheless a real liberal. Accordingly, he soon withdrew from the race and threw his influence to Hughes. Parker, however, gave his support to Wilson. The Progressives, being thus deserted by their leaders, had no alternative but to join one of the old parties. Many of them (probably a majority) went back to the Republican Party, although a considerable number supported Wilson.

The Democrats, meeting in convention at St. Louis on June 13, renominated Wilson and Marshall by acclamation. In the campaign Wilson had two disgruntled elements against him—many of those who were ardently pro-Ally, because they felt that he had been too patient with Germany, and the pro-Germans, who considered his policy unduly anti-German. Hughes was able to win the support of these violently antagonistic groups. But to ensure their support he had to maintain a somewhat negative position on the foreign question, and this noncommittal attitude was unacceptable to many voters who strongly preferred the straightforward positive attitude of Wilson. The Democrats made much of the slogan, "He kept us out of war," and Wilson's policy of neutrality was endorsed by the great majority of the voters. A number of states had by this time adopted woman suffrage and all of these states but one were carried by Wilson. This showed that the President's peace policy was especially endorsed by the women. The Democrats also had in their favor the important reform measures already passed. They pointed to the policy of neutrality as the only alternative to war and at the same time advocated preparedness. The opposition of certain groups of American citizens of foreign origin, such as the Irish-Americans and the German-Americans, probably helped more than it harmed Wilson. Such persons (particularly if their sympathies were with the country of their origin) were known as "hyphenates,"

*Roosevelt
withdraws
and supports
Hughes*

*Wilson re-
nominated by
the Demo-
crats*

*Result of
the
election*

and the great mass of American voters was strongly prejudiced against hyphenism.

The outcome of the election was close, the electoral vote being 277 to 254. Wilson's popular majority was greater, however, than this narrow margin in the electoral vote would indicate (9,129,606 for Wilson to 8,538,221 for Hughes). The Democrats also had a majority in both houses of Congress. At first it looked as if Hughes were elected since he had carried New York, New Jersey, and all but two of the Eastern states north of the Potomac River. It was several days before the result was definitely known. It was then seen that Wilson had carried not only the "solid South" but every state west of the Mississippi but four.

For several days the returns from California were awaited to determine the final outcome. This state went for Wilson by a narrow majority (only 3773), and her thirteen votes turned the scales in favor of the Democrats. It is thought that this state might have gone Republican if wiser tactics had been pursued by that party in the campaign. Governor Hiram Johnson was running for the Senate and was endorsed by both Progressives and Republicans. He campaigned for Hughes but was in disfavor with the State Central Committee. So great was the committee's dislike of him that it refused to ask his participation in a Republican meeting at San Francisco at which Hughes was present. Johnson's followers regarded this as a snub by the regular Republicans—and one which was condoned by Hughes. Some of Johnson's friends probably voted against Hughes on this account. Hughes also displeased organized labor while in California by attending a banquet served by "scab" waiters.

PEACE MOVES

No serious controversy arose between the American government and that of Germany for about eight months after the *Sussex* pledge was made, but merchant vessels were being sunk without warning and neutral lives were lost. The German foreign office, however, always had an explanation or excuse for these sinkings and firmly maintained that the *Sussex* pledge was being observed. Our State Department seems to have accepted these explanations and to have taken the attitude that Germany was trying to live up to her promises.

*The peace
party in
Germany*

Sentiment in Germany was divided as to the wisdom of prosecuting ruthless warfare. One party, composed of the jingoes, led by Von Tirpitz, and of all factions opposed to Von Bethmann-Hollweg, the Chancellor, was in favor of giving free rein to the undersea boats even if it should bring America into the war. The jingoes hated America and despised her military and naval strength. The other

party, headed by the Chancellor, apparently wanted to remain on good terms with the United States and opposed unrestricted submarine activity. The Chancellor expressed the hope that President Wilson would make an effort to bring the war to a close, saying that if he did not, "public opinion in Germany would undoubtedly force a resumption of a ruthless submarine war." It looked, therefore, as if peace alone would prevent the accession to power of the party in favor of the cancellation of the *Sussex* pledge.

Wilson, therefore, realized that there was serious danger of the United States being drawn into the war; for he was definitely committed to the upholding of neutral rights by the position he had taken in the threatening note to Germany issued after the sinking of the *Sussex*. If Germany should renew unrestricted submarine warfare he would have to break diplomatic relations with the Central Powers or eat his own words and thus subject his government to the taunt of pusillanimity both at home and abroad. It looked as if the only way to keep America out of war was to induce the belligerents to agree upon terms of peace. Nothing in this direction could be done, however, until after the election. As soon as he was assured of his re-election Wilson determined to make a move for peace. But unfortunately he waited a little too long before sending out his proposal. Owing to this delay the German foreign office ran ahead of him and made a peace move of its own.

*Wilson
plans a
peace move .*

On December 12, 1916, the Central Powers sent notes to neutrals announcing their willingness to negotiate for peace and asked these neutral powers to notify the Allied belligerents of this attitude. They did not, however, indicate what terms would be acceptable to them. Wilson's plans were considerably upset by this offer. He could not afford to disregard it, and yet he could not forward it to the Allied governments without seeming to favor this move of the Teutonic Allies. Secretary Lansing passed on this proposal (December 16) but declined to identify his government with it by making any recommendation regarding it. With the relay of the German offer Lansing made a statement indicating that President Wilson would soon make of his own accord an overture of peace to the belligerents, which would, however, be in no sense connected with the Teutonic offer to negotiate.

*Germany's
peace pro-
posal*

This overture came two days later (December 18) when President Wilson sent notes to all the belligerent nations asking them to state the terms on which they would be willing to conclude the war. This note came at an inopportune time. Following as it did on the heels of the German announcement, it looked as if there was some connection between the two proposals. Furthermore, neither the Allies

*Wilson's
peace
overture*

nor Germany were in a mood to make reasonable concessions in the interest of peace. The Teutonic Powers felt that their military situation justified the demands on their part of a victor's peace. The Allies after their success at Verdun also had hopes of victory. In England Lloyd George had been called to the premiership to give the enemy a "knock-out blow." The prospects of getting a favorable response to the President's plan were, therefore, far from assuring.

*Replies of
the bellig-
erents*

The reply of the Central Powers to Wilson's note came on December 26, 1916. It did not give the terms that would be acceptable to them but only reiterated their willingness to negotiate and suggested a peace congress on neutral territory. The Entente Powers replied to both the Teutonic proposal and President Wilson's note, stating in a general way the conditions on which they would stop fighting. These were based on the principle of restitution, reparation, and guarantees for the future. While the Teutonic Allies had not put down their demands in a formal note, yet in a conversation with Ambassador Gerard the German Chancellor had indicated (January, 1917) the concessions that would be expected. These were the terms of a complete victor and were out of all reason. So the belligerents were still poles apart as to peace terms.

*"Peace with-
out victory"*

After the failure of these peace efforts President Wilson made a speech before the United States Senate (January 22, 1917) giving in a general way his idea as to the principles on which a just settlement should be based. A peace founded on such principles would, he thought, be lasting, and only such a peace would the United States be willing to assist in guaranteeing. The terms indicated were in accordance with the high idealism that was characteristic of many of Wilson's public utterances. These terms were to be such that no nation would feel crushed and humiliated by defeat. Such a feeling of having been humiliated would be a sure breeding place for future wars. There should be, therefore, "a peace without victory." This speech pointed the way to a just and lasting peace. A well-known English publicist spoke of it as "perhaps the most important document of all history." Yet it had no effect whatever on the international situation. The Germans paid little or no attention to the President's address, for the decision in favor of unrestricted submarine warfare had already been made.

The peace moves had now failed and the advocates of ruthless submarine warfare were in control in Germany. Apparently the German government believed that America would not go to war even if unrestricted submarine activity were resumed. This conviction seems also to have been shared by the German people, for

they considered that inasmuch as President Wilson had run on his peace record, his re-election was equivalent to a mandate from the American people to keep out of war at any cost. There was also the feeling that even if America were drawn in, unhampered submarine activity would win victory for the Central Powers before the United States could effectually mobilize its resources in aid of the Allies.

Before President Wilson had made his peace address, the German foreign office had decided to cancel all its previous pledges and to enter upon a policy of unrestricted submarine warfare. Accordingly, on January 31, the State Department was notified by Court Bernstorff, German Ambassador at Washington, that on the next day Germany would declare as war zones the sea areas around Great Britain, France, and Italy and in the eastern Mediterranean and would sink all vessels, neutral as well as belligerent, that should venture into these prohibited areas. "All sea traffic," the memorandum continued, "will be stopped with every available weapon and without further notice." An exception to this general policy would be made in favor of American passenger vessels if they would adhere to the following regulation: they must go to Falmouth only and in a certain lane designated in the memorandum. Only one trip each way was to be made each week; the ships were to be marked with broad vertical stripes; and their cargoes must include no articles that Germany had defined as contraband.

*Germany
resumes
unrestricted
submarine
warfare*

The situation was now worse than it had ever been before. President Wilson was faced with two alternatives. He had either to back down from the position taken in the *Sussex* note and thereby announce his inability or unwillingness to protect American citizens in their recognized rights or break relations with Germany and thereby declare his intention to uphold the dignity and right of his country. He chose the latter alternative, and relations between the two governments were broken off on February 3, 1917. On that same day President Wilson made a speech before Congress announcing the break with Germany and giving his reason for such important action. In this address he said that he refused "to believe that it is the intention of the German authorities to do in fact what they have warned us they will feel at liberty to do. . . . Only actual overt acts on their part can make me believe it even now." If American lives or American ships should be sacrificed he would appear again before Congress and ask for authority to uphold American rights.

*The United
States breaks
diplomatic
relations with
Germany*

It was with unfeigned reluctance that Wilson took this important step. In the last few weeks he had been more objective in his attitude toward the belligerents and more determined than ever to preserve

*Wilson re-
luctant to
break re-
lations*

American neutrality. His sympathy with the Allies had cooled considerably, for their refusal to consider his offer of intervention had caused him to distrust their motives. He felt too that his re-election, for which his peace policy was largely responsible, indicated that the American people favored a continuance of his efforts to keep them out of war. As late as January 4, 1917, he said to Colonel House: "There will be no war. This country does not intend to become involved in this war. We are the only one of the great white nations that is free from war today, and it would be a crime against civilization for us to go in."

*American
merchantmen
armed*

Germany proceeded to put into practice the policy announced on January 31. The submarines became more active than ever, and nearly one hundred ships are said to have been sunk in two weeks. Two American ships were in this number and American lives were also lost. These sinkings were, however, as President Wilson said, accompanied by "no circumstances which might not have been expected at any time in connection with the use of the submarine against merchantmen as the German Government has used it." In other words, the President took the position (February 26) that no overt act had been committed and the situation was virtually the same as it was when diplomatic relations were severed. But our vessels were afraid to leave port for the war zone and the effect of the German threat was to drive American and other neutral shipping off the high seas. President Wilson felt that his government should take steps to restore to American commerce its rights on the ocean. His plan was to arm American merchant ships so that they could defend themselves from undersea attack. He considered that he had the power to do this without any special authorization from Congress, but felt that a policy fraught with such serious possibilities should have the support of the representatives of the people. Accordingly, on February 26, he asked Congress for authority to arm American merchantmen for defense.

Resolutions empowering the President to arm American merchant ships were offered in both the Senate and the House of Representatives and both houses were overwhelmingly in favor of the policy. The House of Representatives passed the armed neutrality bill by an almost unanimous vote. A very large majority of the Senators were also in favor of the measure, but a small "group of willful men" (so termed by Wilson) in the upper house were able by filibustering opposition to keep the resolution from coming to a vote before the session came to an end on March 4. The policy of armed neutrality had, however, received a virtual endorsement by Congress, and on March 12 a proclamation was issued stating that

merchantmen passing through the war zone would be armed for defense.

Congress was aided in making up its mind on the question of arming American merchantmen by an important document which had just come into possession of the State Department. This was a telegram addressed to Von Eckhard, German Minister to Mexico, by Dr. Alfred Zimmermann, who had succeeded Von Jagow as Secretary of State for Foreign Affairs. In this telegram Dr. Zimmermann stated that Germany would soon resume ruthless submarine warfare and that the United States might in consequence be drawn into the war. In case the United States should enter the war against Germany, Von Eckhard was to try to form an alliance between Germany and Mexico. Financial support could be promised Mexico, and she would be encouraged by Germany "to reconquer the lost territory in New Mexico, Texas, and Arizona." The German minister was also to advise that the President of Mexico communicate with Japan and suggest adherence at once to this plan. This message had been intercepted by the British Naval Intelligence (January 16) and forwarded to the American government.

The Zimmermann note

Wilson's delay in asking Congress for a declaration of war and his patience regarding "overt acts" were due in part to the faint hope he still had of averting war. It also proved to be good policy, for during the two months interval between the break in relations and the declaration of war, feeling in the United States against Germany was gradually growing in intensity. Therefore, when the war was finally declared it had behind it a unanimity of sentiment which might not have come with a hasty declaration. During the period of waiting Germany was carrying on her ruthless submarine warfare and many overt acts were committed. Finally Wilson's patience came to an end and he called Congress together on April 2, "to receive a communication by the Executive on grave questions of national policy, which should be immediately taken under consideration."

On the opening day of this special session Wilson appeared before Congress in joint session and on being presented to the body received such an ovation as had never before been accorded a President by Congress. Led by members of the Supreme Court, the immense audience seated in the crowded chamber and the packed galleries rose to its feet to greet him with prolonged applause. Then came his address advising a declaration of war. In a spirit of deep seriousness and sorrow he pointed out the wrongs that the American people, as well as the nationals of other neutral countries, had suffered at the hands of Germany. He made it plain that his

Wilson asks Congress to declare war on Germany

country was not going to fight to avenge the loss of property, but only to protect "the lives of non-combatants, men, women and children, engaged in pursuits which have always, even in the darkest periods of modern history, been deemed innocent and legitimate." He declared that the "German submarine warfare against commerce is a warfare against mankind."

Another grievance mentioned was the criminal activity in this country of German spies, which, he said, had begun before the war. Armed neutrality had proved ineffective and so a more vigorous policy had to be resorted to, unless we were willing to acquiesce in the highhanded methods practiced against us. This latter choice, however, we "are incapable of making; we will not choose the path of submission and suffer the most sacred right of our nation and our people to be ignored or violated." The only alternative, therefore, in his opinion, was a declaration of war by Congress. He accordingly advised that Congress declare war on Germany, "and exert all its power and employ all its resources to bring the Government of the German Empire to terms and end the war."

The President declared that the entrance of his country into the war was not prompted by enmity toward the German people. "We have no quarrel," he said, "with the German people. We have no feelings toward them but one of sympathy and friendship. It was not upon their impulse that their government acted in entering the war. It was not with their previous knowledge or approval." In giving reasons for taking up the sword he did not confine himself to the obligation of his government to defend the rights of its citizens, but he spoke of a higher motive—the desire to promote universal peace and to "make the world safe for democracy." We are glad, he continued, "to fight thus for the ultimate peace of the world and for the liberation of its peoples, the German peoples included."

*War
declared*

Congress was prompt to act on the recommendation of the President and declared on April 6, 1917, that a state of war existed between Germany and the United States by act of the German Imperial Government. The President had not asked for a declaration of war on the allies of Germany because they had "not made war upon us or challenged us to defend our right and our honor." Germany was, therefore, the only one of the Central Powers formally included in the list of enemies at this time, and it was not until December 17, 1917, that a declaration of war was made against Austria-Hungary. The real reason for this delay regarding the Dual Monarchy was the hope that this power might be induced to make a separate peace and thus drop out of the war. The entrance of

the United States into the conflict was followed by a declaration of war against the Central Powers or a break in relations with them by nearly all of the Latin American states.¹

The idealism behind the motives mentioned by the President was doubtless one of the reasons for our joining the Allies. The American people, like Wilson, believed that the war was not only a war to make the world safe for democracy but also "a war to end war." The general opinion in this country was that the Entente Allies were championing in Europe the principles held dear in America—those of peace and democracy. This view was confirmed by the recent revolution in Russia, which had displaced the autocratic rule of the Czars with a new democratic regime. A defeat for the Allies would, therefore, mean a defeat for democracy and world peace and a victory for autocracy and militarism, for the Central Powers were regarded as the champions of autocracy and militarism. It looked too as if the Allies might be defeated if the United States did not come to their aid. There was also a feeling in the United States that a farsighted policy of self-defense demanded our participation in the conflict. For with our natural allies weakened and humiliated and ourselves isolated, the German government, flushed with victory, might soon be tempted to measure swords with us on this side of the Atlantic. The occasion for such a contest could easily arise. Germany had ambitions in South America and had never accepted the Monroe Doctrine. It would not be difficult for her to get a foothold in one of the weaker Latin American states and then use it as a base of attack on other Latin American countries or the United States. Besides, feeling in Germany was already strong against the United States because of the sympathy of the American people with the Allied cause and the alleged partiality of the government to it.

*Reasons for
America's
entrance
into the war*

The high aspirations of Wilson and other idealists and the fears of patriotic realists were only minor and secondary causes of American participation in the conflict. The main reason was the resumption by Germany of unrestricted submarine warfare. It was this policy that put an end to Wilson's efforts at peacemaking and destroyed his hope of keeping his country neutral.²

It is quite probable, therefore, that if Germany had continued

¹ By July, 1918, Cuba, Panama, Honduras, Nicaragua, Haiti, Guatemala, and Brazil had declared war on Germany, and all the others but four (Argentina, Chile, Colombia, and Mexico) had broken diplomatic relations with her.

² Ambassador Bernstorff relates that Wilson was in constant negotiation with the German embassy until the fateful announcement was made on January 31, 1917. After that event, according to Bernstorff, Wilson's attitude completely changed. The rejection of his proposal to mediate and the announcement by Germany of unrestricted U-boat warfare turned him into an embittered enemy of the German government.

to observe the *Sussex* pledge the United States would not have been drawn into the war, and certainly not at the time she entered.¹

¹ It has been charged that the United States was pushed into the war by the business interests of the country. This is an unjust accusation. It is true that in 1914 a depression seemed to be in the making, and this depression was changed into a business boom by the trade with the Allies, which was based on loans made to them by American citizens. If the Allies should lose the war not only would this trade cease, but the loans already advanced to them might never be paid. There was therefore a small group of Americans whose financial interests would be promoted by American participation in the war. It is also true that they probably slightly influenced public opinion in favor of war; but there is absolutely no evidence that they exerted any influence on Wilson and what evidence we have is against such a supposition. We know that during the weeks of March, 1917, when he was arriving at a decision in favor of war, no representative of the business interests had access to the President. The accusation is, therefore, a libel not only on the Administration but also on the American people.

CHAPTER XXV

The Home Front

MILITARY PREPARATIONS

SOON after the war had started in Europe there arose in this country an agitation for preparedness, the propaganda in favor of which was carried on by the older patriotic societies and by some new organizations, notably the National Security League. With such leaders as General Leonard Wood and Theodore Roosevelt and with funds supplied in large part by the munitions and armor-plate manufacturers, this organization was able to exert an important influence on public opinion. Largely through its sponsorship there were in the summer of 1916 many demonstrations in favor of national defense. These were in the form of street parades and mass meetings. The most noted of all the processions was the one on Flag Day (June 14, 1916) which the President himself led in Washington. This propaganda was countered by that of several peace societies which argued that an increase in military preparations might drag the United States into war. Bryan joined in the cry against preparedness, declaring that if the country were attacked a million young men would spring to arms overnight.

*The National
Security
League*

In the early part of the war President Wilson was also opposed to a policy of preparedness because he feared that war preparations would interfere with his peace moves, but by the summer of 1915 he had changed his mind. The negotiations regarding the *Lusitania* had convinced him that the threats of diplomacy are of no avail unless backed by force. German sabotage in this country had also aided in his conversion.

*Wilson a
convert to
preparedness*

In the meantime General Wood had taken the first step toward preparedness when in the summer of 1915 he established a camp at Plattsburg, New York, at which civilians received elementary training in military science. This camp and others like it proved useful schools for preparing young civilians for commissions in the army.

*The Platts-
burg training
camp*

In his annual message to Congress, December, 1915, Wilson presented plans for increasing the military and naval strength of the country. These plans had been prepared at his request by the Army and Navy Departments. Congress could hardly be expected

*Wilson's
addresses in
favor of
preparedness*

to enact these proposals into legislation unless public opinion was behind such a policy. The East was strongly in favor of putting the country in a condition of self-defense, but the West and to some extent the South were lukewarm. In order to arouse sentiment in the Middle West in favor of preparedness the President decided on a speech-making tour in that section. Starting in January, 1916, he journeyed from Pittsburgh to St. Louis making addresses at eight important cities. He was enthusiastically received and his trip strengthened the cause in that area. At St. Louis he declared that the United States should build up a navy which would have unquestioned superiority over that of any other country.

*The National
Defense Act*

Congress was slow in acting upon the President's suggestions for strengthening the army and navy and it was not until June, 1916, that it passed the National Defense Act. This, the first important defense measure, provided for a gradual increase in the army to a strength of 175,000 men and for calling into the national service at the President's order units of the National Guard, or state militia. The National Guard was also to be enlarged and better trained. The act, by adequate appropriations, encouraged the colleges and the camps of the Plattsburg type to give military training to a larger number of prospective officers. In this way the increased demand for officers would be partially met. Provision for financing this increase in the army was made by the Army Appropriation Bill (August, 1916).

*Resignation
of Garrison
as Secretary
of War*

Secretary of War Garrison was not satisfied with the Defense Act. He had asked for a regular army of 400,000 men, all of whom were to be under national control without any line separating the National Guard from the regular army. The National Guard was made up of men who had not received much training and it was feared that these soldiers would not be as efficient as those of the regular army. Furthermore, since the National Guard had been under the control of the various states, the units might not coalesce with those of the regular army as easily as the requirements of military discipline might demand. Wilson accepted the measure as finally passed although he preferred the recommendations made by the Secretary of War. Garrison felt that Wilson should have been more persistent in urging the original plan, and in protest he resigned as Secretary of War. The President did not wish to risk a dangerous delay and possible defeat by waging a vigorous fight with Congress, and therefore he accepted Garrison's resignation and appointed Newton D. Baker as his successor.

When the war declaration was made it was not generally expected in this country that the United States would take an important part

in the military campaigns in Europe. With the submarine danger and the lack of shipping, transportation facilities would not be adequate for the conveyance overseas of numerous troops and their equipment. America's contribution would therefore consist in boosting the morale of the Allies, lending them the use of her navy and merchant marine, and furnishing them with supplies and money. The expectations of the Allies, however, went far beyond these contributions and looked to important military aid. England, France, and the lesser Allied belligerents sent representatives to the United States to make known their dire needs and urge their claims for help. In less than a month after war was declared, there appeared in Washington, to present the wants of their respective countries, Arthur J. Balfour, foreign minister of England, and General Joffre and René Viviani, Minister of Foreign Affairs, both of France. They showed that the Allies were nearly at the end of their tether and that they could not hold out much longer without American aid. They pointed out the need not only for ships, money, and supplies, but also for fresh troops.

*The Allied
missions to
the United
States*

The information furnished by the Allied missions confirmed Wilson in the decision already made to create a large army by a selective draft. He had at first opposed conscription, but before war was declared he had been converted to this policy by General Hugh L. Scott, the Chief of Staff. It was at Wilson's insistence therefore that Congress passed the Selective Service Act which became law on May 18, 1917. It provided for the registration of all men between the ages of twenty-one and thirty. In August, 1918, the limits were extended to include those between eighteen and forty-five. From the first list, men called into actual service were selected by lot. Exemptions were allowed to clergymen, public officials, defectives, members of churches opposed to war, and employees in essential war industries including agriculture. No exemptions could be obtained, as had been in the Civil War, by hiring substitutes or by making money payments to the government. Registrants were carefully examined for physical or mental defects before being inducted into the service. The law also carried a provision prohibiting the sale of liquor at army camps or to soldiers in uniform.

*The Selective
Service Act*

Some Congressmen, recalling the opposition to the draft in the Civil War, were afraid of conscription. Champ Clark, the Speaker of the House, said that "in the estimation of Missourians there is precious little difference between a conscript and a convict." England, however, had paid a high price for having started out without the draft; for voluntary enlistment did not provide sufficient

men nor did it permit of their proper allocation in the various branches of the service. If the whole nation, as Wilson contended, "must be a team in which each man shall play the part for which he is best fitted," there must be conscription; otherwise the authorities could not put every man in the right place. Despite the opposition of a few Congressmen and the misgivings of others, the Selective Service Act was passed by overwhelming majorities in both houses.

*Registration
and selection*

The first registration (conducted by civilian authorities) was carried out on June 5, 1917. In some cities there were antidraft protests and mild demonstrations, but no riots or disorder. By the first registration 9,586,508 men were enrolled. Two other registrations in 1918 pushed the total up to 24,234,021. The first selection was made on July 20, 1917, when Secretary Baker, blindfolded, drew out capsules containing the numbers of those called. This method of choosing was repeated from time to time until 2,810,296 were drafted into the service. This number was taken almost entirely from the class of registrants composed of single men or married men without dependents. The regular army, the navy, the marine corps, and the National Guards were all enlarged by voluntary enlistment. The number of men called into all branches of the service by the end of the war added up to a total of about four million.

*Training
camps*

For the training of these new recruits thirty-two camps and cantonments were established, one half in the North and one half in the South. According to the original plan, the new recruits were supposed to receive six months of training in the American camps and were then to be sent overseas for two months of intensive specialized training before going into combat, but this rule could not be rigidly adhered to because of the need for troops to reinforce the Allies at critical points. To assist the American officers in this wholesale training, the Allies sent over about eight hundred skilled officers.

The S.A.T.C.

Large use was also made of the colleges in training the rank and file of soldiers. After the draft age was lowered to eighteen, student attendance at the colleges greatly declined. Partly to compensate the colleges for this loss and partly to take advantage of the housing facilities they offered, draftees were stationed at nearly all the colleges for training. They were known as the Student Army Training Corps. Their time was divided between attendance at classes and military exercises. In this way it was hoped that the young soldiers would combine a rudimentary general education with their knowledge of military tactics. But so much time and effort were devoted to military training that little was left for

study. Consequently, as an educational experiment the plan was not a success.

All persons in the service were well cared for. Every effort was made to give them suitable food and clothing, proper medical care, and sanitary living conditions. They were better paid than had been any other servicemen known to history. In some cases additional payments were given to dependents. Draftees and enlisted men were allowed to take out government insurance at low rates with the vain hope that there would be no great demand for pensions after the war. As an aid to morale, recreational and other facilities were provided by organizations such as the Red Cross, the Young Men's Christian Association, the Young Women's Christian Association, the Knights of Columbus, the Salvation Army, and the Jewish Welfare Board. These societies and others of like character, all of which were supported by voluntary contributions, performed a fine service in supplying the soldiers with comforts and semi-luxuries and in keeping up their morale.

Men in the service well cared for

To care for this vast army and convey even a part of it to the fighting front with the proper equipment imposed a tremendous task on the American government. Uniforms had to be procured. Hospitals had to be built, not only in the United States but also in France. Ammunition and arms, including airplanes, tanks, and heavy artillery, had to be procured and transported overseas. Landing piers had to be built in France, and railroads, motor roads, and telegraph and telephone lines had to be constructed. America had gone far and learned much since the Spanish-American War in housing, equipping, and caring for an army.

The problem of equipment and transportation

NAVAL PREPAREDNESS

In his message of December 15, 1915, President Wilson had, along with the army bill, asked for a naval appropriation act and a shipping act. While the naval appropriation was under consideration in Congress there was a great deal of discussion as to the relative merits of the dreadnought and the battle cruiser. Finally, however, an agreement was reached and the bill carrying an appropriation of \$313,000,000 for the navy became a law (August, 1916). Secretary Daniels had asked for a five-year building program, but the Senate had changed it into a three-year plan. The act provided for the immediate construction of four battle cruisers and four dreadnoughts. A rider to the bill carried the provision for the construction by the government of an armor-plate factory. This rider had been tacked on to meet the objection that private industry would profit unduly by this preparedness measure.

The Naval Appropriations Act

*The United
States Ship-
ping Board*

In September, 1916, Congress passed the bill creating the United States Shipping Board. The purpose of the measure was to provide American shipping sufficient to transport American products overseas and more particularly to serve as an aid to the army and navy. The act brought into being a Shipping Board of five salaried members with authority to procure and operate a fleet of merchant ships. The Board could act through a government-owned corporation. Such a corporation was formed seven months later under the name of the Emergency Fleet Corporation. Wilson had been urging such legislation off and on for two years. It had been opposed, however, by the shipping interests, and congressmen in both parties had been afraid to venture upon the new policy.

*The "bridge
of ships"*

During 1917 the German submarine took a heavy toll of Allied shipping. After unrestricted submarine warfare began, the Allied tonnage sunk each month was greatly in excess of that replaced by new construction, and for the twelve-month period the total tonnage bagged by the Teutonic belligerents was more than twice that constructed by all the rest of the world. While the ships of the Allies were decreasing in number the need for them was increasing. America's entrance into the war had imposed upon them the additional burden of transporting American troops overseas and furnishing them with food and military supplies. To meet the needs of the American army overseas about fifty pounds of freight per day for each soldier would have to be transported. If this proportion between the sinking and the building of Allied shipping should continue, England would in time be faced with starvation, the Allied and American armies would be cut off from necessary supplies, and the war would be won by Germany. The crying need of the Allies was, therefore, "ships, ships, and more ships." The chief responsibility for meeting this need was now placed upon the United States, because England and France, already straining to the limit of their strength in the war harness, could not increase their rate of ship construction. Urged on by the slogan, "ships will win the war," the American people were resolved to make every effort to build a "bridge of ships" to France.

*Rapid expan-
sion of the
merchant
marine*

At the outbreak of the war the United States did not have a large merchant marine or the facilities for rapidly creating one. An important step in the right direction had been taken when Congress created the United States Shipping Board and the Emergency Fleet Corporation to act as the agency of the Board. The Fleet Corporation was well supplied with funds by the government and was given authority to construct, purchase, or requisition ships. For some time there was a delay in carrying out this program due to a difference

in opinion between the Board and the Corporation as to the relative merits of wooden and steel ships. The former could be built more quickly and the latter were more durable. By a change in the leadership of both groups the disagreement came to an end and construction went on apace. Privately-owned American ships were requisitioned, neutral vessels in American ports were leased or commandeered, ships were purchased in neutral countries, German vessels interned at American ports were taken over and reconditioned, and new vessels—wooden, steel, and concrete—were constructed. Four extensive shipyards were built, the largest on Hog Island near Philadelphia. A new type of vessel now constructed was the “fabricated ship,” which was built by assembling at one place parts that had been manufactured at a number of different plants. By the end of the war the Shipping Board had brought under its control in various ways about ten million tons of shipping at a cost of \$3,000,000,000.

CREATING AND REGULATING PUBLIC SENTIMENT

This war had the support of public opinion with a nearer approach to unanimity than had any of the other wars in which the country had engaged. There was, however, a feeling of indifference on the part of certain classes and outright opposition by a small minority. Conspicuous in this latter group was the Socialist Party which denounced our participation in the war as a move urged on by and in favor of the capitalist system. In a meeting held at St. Louis on April 7, 1917, it declared that it would conduct a “continuous, active and public opposition to the war through demonstrations . . . and all other means within our [its] power.” There were, however, certain prominent Socialists—among them Upton Sinclair and Allan Benson, the last nominee of the party for President—who were so opposed to this stand that they withdrew from the party. Senator La Follette of Wisconsin was also strongly opposed to American participation in the war. When he cast his vote against the war declaration he made this statement: “I say Germany has been patient with us.”

*Opposition
to the war*

It was felt that the men in the fighting front deserved the united and effective support of the home front. To secure this, indifference must be converted into enthusiasm and opposition must be silenced. To bring about this result a system of propaganda was organized. On April 14, 1917, President Wilson created a Committee of Public Information and named as its chairman George Creel, an energetic and enthusiastic journalist. Creel brought to his task an active imagination which served him in good stead. Drafting the assistance

*Organized
propaganda*

George Creel

"Four-minute Men"

of historians, artists, actors, and public speakers, he at once launched upon a campaign of publicity to acquaint the people in this country and in other countries of the war aims of the Allies. War news was given out to the newspapers and there was no censorship of the press except the withholding by the military authorities of such information as might aid the enemy. He also published in a daily paper, the *Official Bulletin*, an account of each day's happenings. Editorials were prepared and sent out for the use of country editors. Millions of pamphlets were circulated which proclaimed the high ideals for which the Allies were fighting and the alleged wickedness of the Teutonic Powers. Creel organized a band of seventy-five thousand speakers who appeared at theaters, motion-picture shows, and industrial plants at lunch hours to make four-minute speeches. Data for these "Four-minute Men" and others who made longer addresses were furnished by the Committee. These various methods of propaganda were especially called into requisition before war-bond drives. They were a means of keeping civilian morale at a high level.

The Espionage and Sedition Acts

Propaganda was not the only means employed by the government in mobilizing public sentiment. Active disloyalty was put down by the strong arm of the law. In June, 1917, Congress passed the Espionage Act, which imposed severe penalties for attempts to interfere with the war effort. The act also excluded from the mails all matter of a seditious or treasonable nature. A year later (May, 1918) a more drastic measure, the Sedition Act, was passed. By this act heavy fines and long terms of imprisonment were to be imposed on all who should obstruct the sale of government bonds, discourage recruiting, or "wilfully utter, print, write or publish, any disloyal, profane, scurrilous, or abusive language about the form of government of the United States, or the Constitution . . . or the flag . . . or the uniform of the Army or Navy . . . or bring the form of government . . . or the Constitution . . . into contempt. . . ."

Legal convictions; intolerance

These measures were strictly enforced, for their constitutionality was upheld by the courts. Two noted Socialists—Eugene V. Debs, four times candidate for President on the Socialist ticket, and Victor L. Berger, a congressman from Minnesota—because of their outspoken and active opposition to the war effort, were convicted under this law and given long prison sentences. Public sentiment was even more intolerant than the law. Senator La Follette was censured by the Wisconsin legislature and excoriated throughout the country for voting against and taking such a strong stand against the war. There was a strong prejudice against everything German. In some states the German language was dropped from

the curricula of the public schools, and in the colleges few students continued its study. German musicians were compelled to cancel engagements for concerts.

The opponents of this policy contended that these restraints on civil liberty were as bad as the Alien and Sedition Laws passed under John Adams and so strongly opposed by Jefferson and Madison. These new restrictions, it was held, were an unwarranted limitation of freedom of speech and the press and were therefore a violation of the First Amendment. On the other hand, they were regarded by those in authority as a necessary support to the armed forces. In time of war individual liberty of civilians should be temporarily limited, especially when by the draft there was such a great curtailment of the liberty of those who were in the service. When Hannibal is at the gates, it is no time to insist too strongly on rights. The courts seemed to be of this opinion. Even so liberal a jurist as Justice Holmes, in rendering a unanimous opinion of the Supreme Court said:

*Appraisal of
the policy
of restriction*

When a nation is at war many things that might be said in time of peace are such a hindrance to its effort that their utterance will not be endured so long as men fight, and that no court could regard them as protected by any constitutional right.

WAR FINANCE

The entrance of the United States into the war placed upon the government the burden of raising money not only for supplying the needs of its own soldiers, but also for replenishing the empty coffers of the Allies. By the spring of 1917 England, who had been furnishing credit to the other Allies, had about exhausted her own stock of liquid assets in America. If further purchases were to be made in this country by the Allies our government would have to extend credit to them. This obligation, combined with that of meeting the demands of our own war effort, called for the raising of colossal sums of money. The total amount spent in the immediate war effort, including loans to the Allies, was more than thirty-six and a half billion dollars. More than one fourth of this amount went to the Allies in the form of loans.

*War costs
run into
astronomical
figures*

About one third of this huge amount was raised by taxation, and the income tax was the main source of revenue. Rates on personal incomes were greatly increased and exemptions were lowered. The tax on the incomes of corporations was progressively raised and that on profits in excess of those earned before the war were increased in such proportions that in some cases a rate of eighty per cent was

Taxation

reached. Taxes on tobacco and liquor were greatly raised, and excise taxes were also imposed on railroad and Pullman car tickets, theater tickets, telegraph and telephone messages, and a great number of other so-called luxuries. The postal rates were also raised, letter postage now being three instead of two cents.

War bonds

It was not possible, however, to defray the entire cost of the war by taxation. That would have been to saddle too heavy a burden upon the present generation. Taxes would have been so high that they would have retarded production and thus have crippled the war effort. It would have been "killing the goose that laid the golden egg." The government therefore began at once to raise money by the sale of bonds. Besides issuing treasury notes, or short-time bonds, five efforts or "drives" were made for the sale of bonds. Four of the issues were known as Liberty Bonds and the fifth and last as Victory Bonds. The first issue of \$5,000,000,000 was ordered by Congress without a single adverse vote. The bonds of this issue bore three and one-half per cent interest; those of the second issue paid four per cent interest; those of the third and fourth issues, four and one-quarter per cent; and the Victory Bonds four and three-quarters per cent. The bonds were issued in denominations as low as fifty dollars in order that they might be within the reach of everyone. An effort was made to secure a subscriber in every family with the hope of giving every person a financial stake in the success of the war. For the benefit of small investors five-dollar War Savings Certificates and twenty-five-cent war stamps were sold. A billion dollars came into the treasury in this way.

Loan drives

With each loan drive patriotic fervor was aroused by an organized propaganda movement. "Four-minute Men" spoke in churches, theaters, and other public gatherings urging the purchase of bonds and pointing out the high idealism behind the war aims of the Allies. In this way a wave of public sentiment was created which swept practically everybody into the ranks of buyers of war bonds. The total amount realized from the five loans was nearly \$21,500,000,000 and the number of subscribers was sixty-five million. The bonds could not be cashed in before the date of maturity, and therefore many holders had to sell them on the market to get money for their pressing needs. This caused the bonds to fall below par and speculators were able to buy them up at low prices. It was to prevent a recurrence of this abuse that, in the Second World War, war bonds were made redeemable at any time.

Voluntary contributions

The financial obligations of the American people did not end with the payment of taxes and the purchase of war bonds. They

*The War
Industries
Board*

as in the Second, the success of the war effort was dependent upon the efficiency of American industry and its ability and willingness to team up with the military administration. Realizing this and taking advantage of the discontent then prevalent, Wilson asked and obtained from Congress wide authority in the control of industry. In the meantime the Committee on Munitions (a subcommittee of the Council of National Defense) had been reorganized under the name of the War Industries Board (July, 1917). To this new board the Council now turned over its principal duties. After having received from Congress almost dictatorial power over industry, Wilson delegated this authority (March, 1918) to the War Industries Board, of which Bernard M. Baruch was chairman. The Board was given authority to convert existing manufacturing plants to war uses; create new facilities and open up new sources of supplies; determine whenever necessary as to priorities of production and of delivery; make purchases for the Allies as well as the United States; and fix prices of certain necessary commodities. To eliminate waste and save labor, uniformity in production was effected by a standardization of patterns. The power of the Board over industry has been termed by one writer¹ (probably with some exaggeration) as the authority "to operate the whole United States as a single factory dominated by one management." Baruch had as his colleagues on the Board some of the leading business managers of the country, who served without pay.

The Board was assisted by numerous subcommittees composed of experts in various fields. Baruch used rare tact and wisdom in the exercise of his great power, usually obtaining results by persuasion rather than by force. Owing to the strenuous efforts of American industry and its wise management by the Board, production was greatly speeded up. It took time, however, to change manufacturing plants from a peacetime to a wartime footing, and there was considerable delay in the manufacture of certain war supplies. This was particularly the case in the production of airplanes, machine guns, and heavy artillery, and for this important equipment the American army had to depend to a large extent upon the British and the French.

*The War
Trade Board*

The fifth, in point of time, of the great war administration agencies was the War Trade Board, which was created for the purpose of tightening the commercial isolation of the enemy countries. If exports were not controlled there was a danger that supplies needed at home or in Allied countries might be drained away and

¹ Mark Sullivan, *Our Times*, V (*The United States, 1900-1925*) (Charles Scribner's Sons), 376.

finally reach the enemy. To prevent any leakage of American products to the enemy, Congress passed the Espionage Act (signed June 15, 1917), which gave the President power to control exports, and the Trading-with-the-Enemy Act (signed October 6, 1917), which prohibited except by a license from the President all trade that might be of direct or indirect benefit to any enemy country.¹ Armed with this authority, Wilson called into being the War Trade Board (October 12, 1917) with Vance McCormick of Pennsylvania as chairman. In the performance of its duties the Board was able to secure the co-operation of neutral vessels by refusing coal to such as would not comply with prescribed practices.

The success of the military program was dependent upon efficient internal, as well as external, transportation. Upon the railroads was placed the chief responsibility for transporting draftees to training camps, trained soldiers to ports of embarkation, raw materials to munitions plants, and finished products from the factories to seaports. At first the railroads did not prove equal to these extra demands. At some terminals there were empty cars and at others piles of freight waiting to be moved. "There were trains of empties rolling past freight crying for a carrier."² The railroads had been run on the competitive system with the earning of dividends as their chief objective. If they were to meet this new responsibility co-operation would have to take the place of competition and the profit motive would have to give place to the earnest resolve to win the war. In the spring of 1917 the railroads, acting on the suggestion of Daniel Willard, chairman of the Advisory Council, tried by voluntary agreement to devise a plan of co-operation. The result of this endeavor was the organization of the Railroads War Board, headed by Fairfax Harrison (April 11, 1917).

After the railroads had been under this management for eight months, President Wilson took them over and appointed Secretary McAdoo as Director General of Railroads (December 26, 1917). "Only under Government administration," said the President in a message to Congress, "can an absolutely unrestricted and unembarrassed common use be made of all tracks, terminals, terminal facilities, and equipment of every kind." McAdoo was given entire control of all the railroads. The railroad presidents, as well as

*The Railroad
Administration:
"Bottle-
necks"
in railroad
transportation*

*Secretary
McAdoo
Director
General of
Railroads*

¹ One section of the Trading-with-the-Enemy Act gave President Wilson authority to appoint an Alien Property Custodian "to receive all money and property in the United States due or belonging to an enemy, or ally of enemy . . . and to hold, administer, and account for the same." For this important place he selected A. Mitchell Palmer of Pennsylvania, who took over enemy property of the total value of \$502,000,000. Patents taken out in the United States by German firms were now thrown open to American manufacturers.

² Frederick L. Paxson, *America at War* (Houghton, Mifflin Co.), 23.

subordinate officials, now became the employees of the Railway Administration. The railroads were leased by the government and stockholders were paid yearly dividends equal to those annually received during the previous three years. Traffic was handled primarily as a means to speed up the war effort with little or no anxiety as to dividends. Engines, cars, tracks, and terminal facilities were used without regard to ownership and the entire railroad system was run as a unit.

This experiment in government control was a success in that it enabled the railroads to contribute more to the war effort than would have been possible under private management; but from the point of view of profit it might be regarded as a failure. Owing to the lack of concern for profits and to the increases in wages that were allowed, the cost of operating the railroads was considerably more than the amount of revenue brought in. The deficit of about \$714,000,000 had to be covered by government funds. In July, 1918, the telephone and telegraph were put under the control of the Postmaster General and later the leading express companies were united to form the American Railway Express Company, which was placed under Federal management.

*Wartime
prosperity*

The prosperity of the period of neutrality did not cease but was rather increased when the United States became a belligerent. There was a heavy demand for American products to meet the needs of the Allied and American armed forces. This meant high prices. Production was greatly stimulated by these high prices and the easy credit which the banks were supplying. While all classes of people shared in this prosperity the profits were especially high in industry. As an indication of the rapid increase of wealth from 1917 to 1920 the number of millionaires in the United States had jumped from sixteen to twenty thousand. Exports were greatly in excess of imports and the United States suddenly changed from a debtor to a creditor nation.

*Favorable
position of
labor*

The workingman came in for a generous share of this prosperity. Inasmuch as the ranks of labor had been thinned by the draft and by the stoppage of immigration, the demand for labor in proportion to supply was greatly increased. Wages therefore rose more rapidly than prices and workers were better paid than they had ever been in the entire history of the country. The President was kindly disposed toward labor and upheld its right to form unions and bargain collectively. Samuel Gompers, as a member of the Advisory Commission, held a high place in the counsels of the government, and organized labor was represented on other important administrative agencies. Such favorable circumstances led to a rapid growth

in the organization of labor. In one year (June, 1917-June, 1918) the American Federation of Labor increased in membership by half a million.

Despite the favorable position held by labor, strikes continued to occur. In the fall of 1917 they were particularly numerous. It was felt therefore that something should be done to prevent strikes, since they were a serious interference with production. As a move in this direction President Wilson created the National War Labor Board (April, 1918). It was composed of representatives in equal number of labor and management. Frank P. Walsh, a representative of labor, and ex-President Taft, a representative of management, were co-chairmen. This Board acted as a final court of appeal in disputes between employers and employees. During the fourteen months of its existence more than one thousand disputes came before it for a hearing. It was not enough, however, to pass upon disagreements after they arose; it was just as important to adopt a policy that would prevent them from occurring. With this purpose in mind, the President appointed the War Labor Policies Board (May, 1918) with Felix Frankfurter as chairman. Nor was the creation of these boards an empty gesture. President Wilson showed a willingness to support their findings with reference to both employers and employees.¹

Labor boards

Lured on by the hope of high wages, great numbers of Negroes left the South to take positions in manufacturing plants in Northern cities. So great was the exodus that in the South there was an embarrassing shortage of servants, farm hands, and factory workers. The rosy anticipations with which the Negro left his old home were not always realized in his new situation. Not only were high wages attended with a high cost of living, but the new work, geared as it was to a rapidly-moving machine, was more exacting than the slow-going activities on the Southern plantation. Then, too, friction soon developed between the Negroes and the whites in their new locations. White laborers resented the competition of their colored rivals and difficulties arose in placing the color line. Colored people took over sections in cities that had formerly been occupied by white residents, frequently with a financial loss to the former owners. This maladjustment to the new conditions brought on unfortunate race riots in some cities. These disappointments, together with a

Negroes go North

¹ When the Smith and Wesson Arms Company of Springfield, Massachusetts, refused to abide by a decision of the National War Labor Board the War Department took over the plant. When the employees at Bridgeport, Connecticut, went on a strike in defiance of a ruling of the Board, Wilson warned that those who persisted in the strike might forfeit the military exemption granted for war work. The threat was sufficient to bring the strike to an end.

nostalgic feeling for the land of their childhood, caused a considerable number to return to the South, but a majority of those who went North remained as a permanent addition to the population of that section.

FOOD ADMINISTRATION

*The Allies
look to
America for
food supplies*

In peace times France and England had to import a considerable portion of their food supply. With increased war demands there was a still greater dependence upon outside food products. Added to this demand was that caused by the presence of American soldiers. The surplus grain in Russia was not available because Turkey had closed the Dardanelles. Nor could the surpluses of Australia and Argentine be used, owing to distance and the shortage of shipping. Hence the burden of supplying the Allies and the American troops with food was placed upon North America. Unfortunately, at the time of our entrance into the war, the American surplus of grain and meats was lower than usual. Something would, therefore, have to be done to increase this surplus.

*The Food
Administration*

Herbert Hoover, because of his remarkable success in administering Belgian relief, was now assigned the task of stimulating the production and conservation of food. By the Lever Act (passed on August 10, 1917) Congress gave the President power (which he delegated to the Food Administrator) to control the production and distribution of food and fuel. It also forbade the use of grain in the manufacture of distilled spirits and authorized the President to prohibit its use in the manufacture of malt or vinous liquors. The government guaranteed to farmers a price of \$2.00 a bushel for all the wheat raised in 1918, and the President was empowered to fix minimum prices for subsequent years.

*America
"Hooverizes";
results*

Partly by the use of this authority but mainly by a campaign of education, Hoover was able to increase the production of food and greatly lower its consumption. The slogan, "Food will win the war," aroused an effort on the part of everyone to co-operate with Hoover's plans. Vacant lots and small plots of ground were everywhere used for raising vegetables. It is estimated that in this way there was an increase of about two million in gardens—"war gardens," as they were called. There was a general observance of Hoover's injunctions to economize on food, use substitutes for wheat, meat, and sugar, and practice a mild form of fasting on "wheatless" and "meatless" days. Thanks to this co-operation and governmental stimulation, we were able to feed our soldiers, supply the Allies with food necessities during the war, and save a good part of central and southeastern Europe from starvation after the war.

The Lever Act also provided for the regulation of the fuel supply. Under this act the Fuel Administration was organized with Harry M. Garfield, President of Williams College, as Fuel Administrator (August, 1917). The supervision of the oil supply was later (January, 1918) put under a division of the Fuel Administration headed by Mark L. Requa. Oil was playing an important part in the war, and Marshal Ferdinand Foch warned that if the United States did not keep up its oil supply the Allies would lose the war. Owing to the labor shortage and transportation difficulties, the fuel problem threatened to become serious. The situation became especially acute during the severe winter of 1917-18. Because of the scarcity of coal, churches, homes, and public buildings were inadequately heated and ships loaded with munitions were tied up in New York harbor. Administrator Garfield took vigorous measures to meet the crisis. He closed down for five days all manufacturing establishments east of the Mississippi River and ordered all business and factory buildings in this region not engaged in the production of essential war supplies to observe heatless Mondays until spring. To save gas, people generally were urged not to use their automobiles on Sundays and holidays and as little as possible at other times. As a means of economizing on fuel the country went on "daylight saving" time in the spring of 1918.

*Fuel
Administra-
tion*

CHAPTER XXVI

The Fighting Front

PART PLAYED BY THE AMERICAN NAVY

Rapid development of the American navy

FOR some years prior to the entrance of the United States into the war the government had been promoting the growth of the navy and for several months Franklin D. Roosevelt, Assistant Secretary of the Navy, had been making strenuous efforts to put it into a state of highest efficiency. This development was greatly accelerated by the war. During the period between the declaration of war and the armistice there was a rapid growth in shipbuilding, and the personnel of the navy was increased from 65,000 to 497,000. In the construction of ships emphasis was placed on destroyers, submarines, and submarine chasers, although two battleships were also launched.

Services performed by the American navy

Soon after war was declared eighteen destroyers were sent to Queenstown, Ireland, to aid the British navy in its hunt for submarines. These were followed by battleships and cruisers, as well as other destroyers. Before the end of 1917 six battleships had been sent over to co-operate with the British navy in keeping the German fleet from venturing into the North Sea. Admiral William S. Sims was put in command of the American overseas naval forces.

In addition to helping the British navy pen up the German fleet in home waters the American navy performed other important services. By the use of listening devices, airplanes, and depth bombs it greatly aided in the location and destruction of submarines. In the hunt for the undersea craft the submarine chaser was especially valuable as its speed was greater than that of the U-boat. During the war more than 400 American chasers were in use. The United States navy also did eighty per cent of the work in laying a mine barrage from the Orkney Islands to Norway. This barrage, 20 miles wide and 245 miles long, proved a dangerous barrier to German submarines trying to get out into the high seas. Thanks to these various means and methods, by the spring of 1918 the undersea menace seemed to have been pretty well overcome.

Another valuable contribution of the American navy to the war effort was the protection it afforded the transports by which 2,000,000 American troops were carried overseas. About half of these

soldiers were conveyed in British vessels; 112,000 in French and Italian ships; and the remainder in American vessels. Of the warships that escorted these transports eighty-two per cent were American destroyers and cruisers. The United States sent across the Atlantic eighty-eight fleets conveying an average of twelve transports. So well was this service performed that only one ship was destroyed on the voyage over.

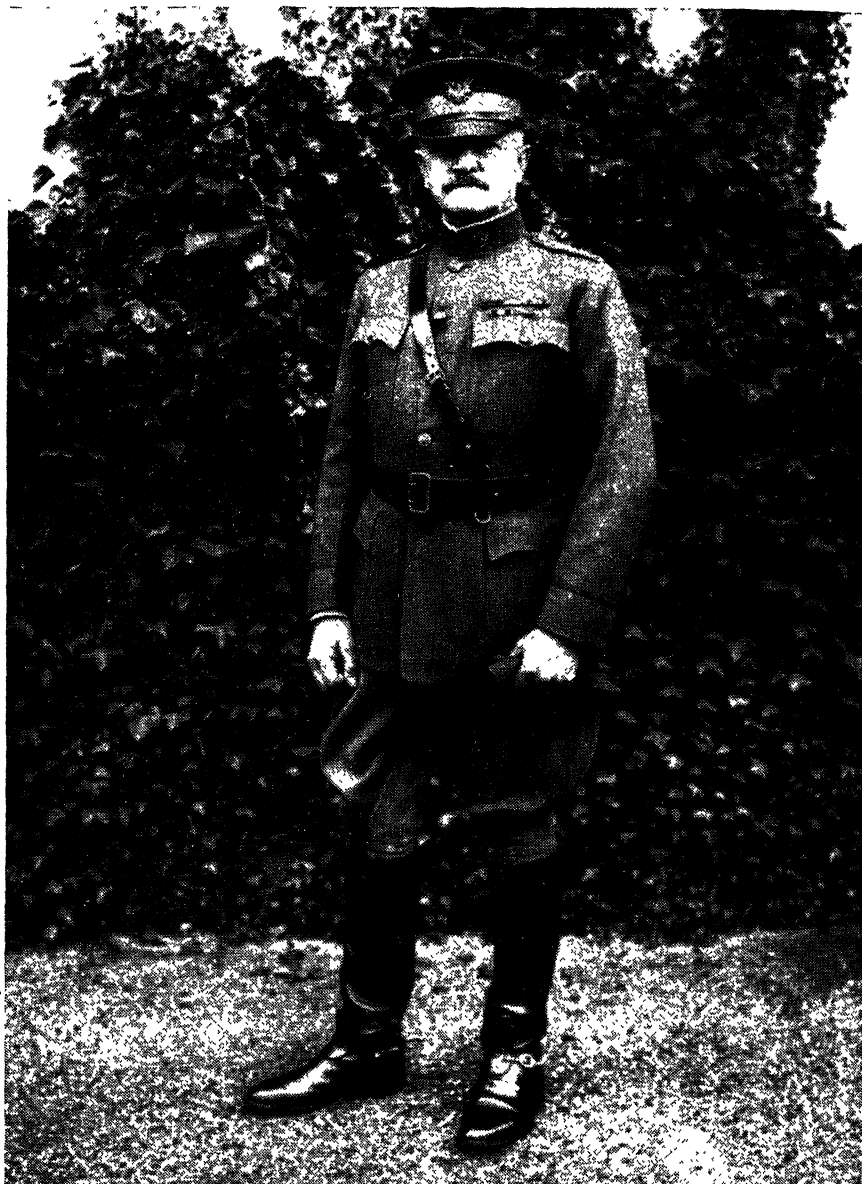
THE AMERICAN ARMY IN EUROPE

According to President Wilson's original plan, no American troops would be sent overseas until March, 1918. However, owing to the insistence of General Joffre, in the summer of 1917 a token force was landed in France under the command of General John J. Pershing, leader of the American Expeditionary Force (the A.E.F.). When the American troops marched through the streets of Paris on the Fourth of July they were greeted with a most joyous welcome. By the end of 1917 there were about 195,000 American soldiers in France. By this time, however, the military situation of the Allies had changed for the worse. The Italian armies were driven back in October and soon afterward the Bolsheviks of Russia made a separate peace with the enemy powers (December, 1917). This peace freed the German forces on the east, and in the spring of 1918 the German army outnumbered that of the Allies on the western front. The Allies therefore made a loud cry for help, and the United States, responding to the desperate situation, sent over so many troops that by the end of the war the total number transported to Europe was more than two million.

To take care of this vast force a great deal had to be done in France. As Secretary of War Baker stated, "France was a white sheet of paper, so far as we were concerned, and on that we had not only to write an army—we had to go back to the planting of corn in France in order that we might make a harvest." The responsibility of looking after the needs of our overseas troops was entrusted to the Service of Supply (S.O.S.), which was organized in February, 1918, with headquarters at Tours. It had charge of procuring and distributing food, building materials, and military supplies. For the landing of the tons of materials needed it made use of more than a dozen ports in France. Of these the most important were St. Lazaire, Brest, and Bordeaux. The shipping facilities of these ports were greatly enlarged and improved by the construction of immense docks and numerous electric cranes. Back from the coast there were erected supply and distribution depots. One of these depots covered an area of six square miles and

*American
troops in
France*

The S.O.S.

*National Archives*

GENERAL PERSHING.

employed 20,000 men. To insure proper transportation and communication, the S.O.S. took over some sections of French railroads and had American engineers construct many miles of new lines. It also installed and operated a number of telephone and telegraph lines. Supplies were procured through a General Purchasing Board, which had agents in Holland, Spain, Switzerland, and the Allied countries. The S.O.S. made use of 668,000 men, including 23,000 civilian employees.

For a while there was no unified plan for furnishing supplies to the Allies. The Allied countries were in competition with each other in their efforts to procure materials furnished by the United States. General Charles G. Dawes, Purchasing Agent for the A.E.F., suggested that all materials needed by the armed forces, including ships, munitions, and other commodities, be put into a common pool and be distributed from it according to need. General Pershing strongly supported Dawes' proposal with the result that the Military Board of Allied Supply was organized (June, 1918). In this way a unified system for the distribution of supplies was effected. This arrangement was second in importance only to the creation of a unified military command.

*The Military
Board of
Allied Supply*

President Wilson's policy in the management of military affairs was to disregard political considerations as far as possible. His decisions at home were closely in line with the recommendations of the General Staff, and he gave a free hand to General Pershing in directing the A.E.F.¹ He sustained him against the criticism of the Allied authorities and he sent overseas only such generals as Pershing approved. In pursuance of this policy he refused the request of Theodore Roosevelt that he be put in command of a cavalry division to be raised by voluntary enlistment for overseas service. General Pershing advised against the acceptance of the offer and, although Congress had authorized the President to send four volunteer divisions overseas, Wilson refused to grant the request. Roosevelt had had only a few weeks' experience in war and was not properly trained for the post of major general. Besides, he was fifty-eight years old, had lost the sight of one eye, and suffered from other physical disabilities. By this refusal Roosevelt's hatred of Wilson was intensified and the shafts of criticism which the ex-President thereafter hurled against the President were barbed with fresh venom.

*Roosevelt's
request for
an overseas
command*

The gain to the Allies resulting from America's entrance into the war was partially offset by Russia's abandonment of the Allied cause. In March, 1917, a revolution broke out in Russia which put an end

*The Russian
Revolution*

¹Secretary Baker later declared that he had given General Pershing only two orders: "one to go to France, and the other to come home."

to the rule of the Czars and set up a government based on liberal principles. The United States was in sympathy with the new regime and sent Elihu Root, former Secretary of State, and General Hugh L. Scott, Chief of Staff of the army, to Petrograd to help in the establishment of the new government and to influence it to continue as an active participant in the war. The revolution, however, did not stop with liberal reforms, but moved farther and farther toward the left. The final outcome was the organization of a communist regime by the Bolshevik Party under the leadership of Nikolay Lenin and Leon Trotsky.

*The Treaty
of Brest-
Litovsk*

On December 3, 1917, the new Russian government signed an armistice with Germany, which was followed by the peace of Brest-Litovsk (March 3, 1918). The terms of this treaty were virtually those of unconditional surrender, since they were dictated by Germany. The Bolsheviks had not only taken Russia out of the war but had also repudiated all debts to foreign creditors. The White Russians, a conservative party, were aided by the Allies in their struggle with the Bolsheviks; for if the White Russians got control of the government they would, it was hoped, resume the war and recognize Russia's responsibility for her debts. It was for this reason that American troops were sent to Russia in an Allied effort to overthrow the Bolshevik government.

*The placing
of American
troops*

It was the intention of the Allies to use the American troops as replacements—to brigade them with British and French units. In this way the depleted ranks of their armies could be filled. Besides, the Allied commanders feared that the raw American troops could not render effective service unless they were mixed in with experienced soldiers. General Pershing, however, felt that his troops could perform their best service as a separate army. Moreover, he was planning an offensive action against the enemy, and the Allied soldiers had long been accustomed to a defensive policy. The American forces could be more efficient in this offensive if their enthusiasm was not dimmed by association with war-weary veterans, accustomed to act only on the defensive. Conditions on the western front, however, caused Pershing to postpone his plan for a separate army.

*The German
offensive*

The Germans began an offensive in March, 1918, with the hope of winning the war before American aid could become effective. They had made peace with Russia, defeated Italy at Caporetto, and forced Rumania out of the war. They were, as previously observed (p. 517), thus able to transfer troops to the western front in sufficient numbers to give them superiority over the Allies. They

made an attack on the English in the Somme region and pushed a deep salient into their line. Then came successful attacks on the Allied line in Flanders and in the region of the Aisne and the Marne Rivers. As the Allies were driven back at three places they were seriously threatened with defeat. Since the situation was so critical, Pershing yielded for the time being his opposition to the incorporation of American troops in the Allied armies and allowed his men to fight alongside the Allied forces.

In the meantime their dangerous situation caused the Allies to agree upon a plan for unified action by making Marshal Ferdinand Foch commander-in-chief of all the Allied forces (April, 1918). Such a plan had been favored by Pershing and Wilson, and it was due in part to their influence that this belated but much needed action was taken.

On May 28, 1918, American soldiers, covered by French artillery, took the village of Cantigny. The place was of no great significance, but the behavior of the troops in this their first real engagement inspired the British with confidence in their fighting ability and helped to win for the Americans permission to form a separate army. The Germans made seven unsuccessful attempts to recapture the village. At the beginning of June two American divisions fought with the French in the region of the Aisne and Marne and gave valuable aid in checking the German offensive near Chateau-Thierry. This was important since the Germans were on the way to Paris and at one point were only thirty-nine miles from the French capital. Soon afterward the American forces drove the Germans out of Belleau Wood.

Foch had now stopped the German advance and stabilized the Allied line (July, 1918). The Germans, however, still held an important salient, which between Chateau-Thierry and Reims dipped down south of the Marne River. On July 18 Foch made a counterattack on the Germans holding the Marne salient. They were attacked on three sides, American units being used as the spearhead of the attack. The attempt was successful and by August 4, the Germans had withdrawn from the pocket.

After this victory there was no longer any fear in the Allied command as to the effectiveness of the American soldiers. Foch now complied with Pershing's wish and allowed him to organize the greater part of the American troops into a separate army. The Americans took position in the eastern sector and their line of occupation was extended until it finally held nearly a quarter of the entire western front. Pershing was not able to get from the

*Marshal Foch
made com-
mander-in-
chief of
Allied forces*

Cantigny

*Belleau
Wood*

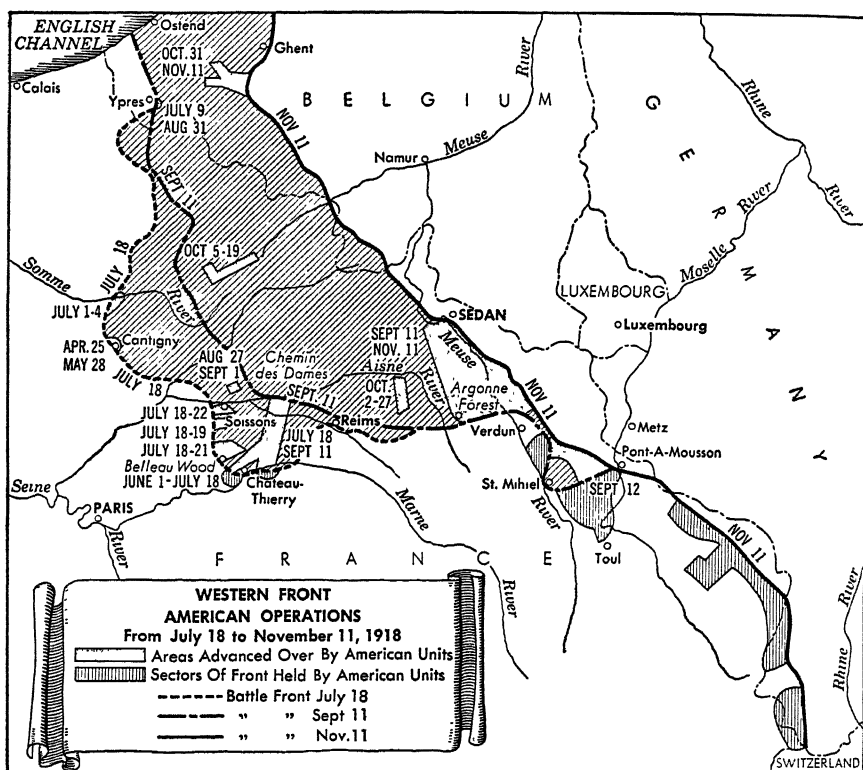
*The Marne
salient
wiped out*

*American
troops organ-
ized into a
separate
army*

United States all the military supplies his forces needed, but had to rely to a considerable extent on the Allies for cannon, tanks, and airplanes.

St. Mihiel

The new army won its spurs when, on September 12, Pershing attacked the German salient at St. Mihiel. At the end of two days he had defeated the Germans and flattened out the salient. Sixteen

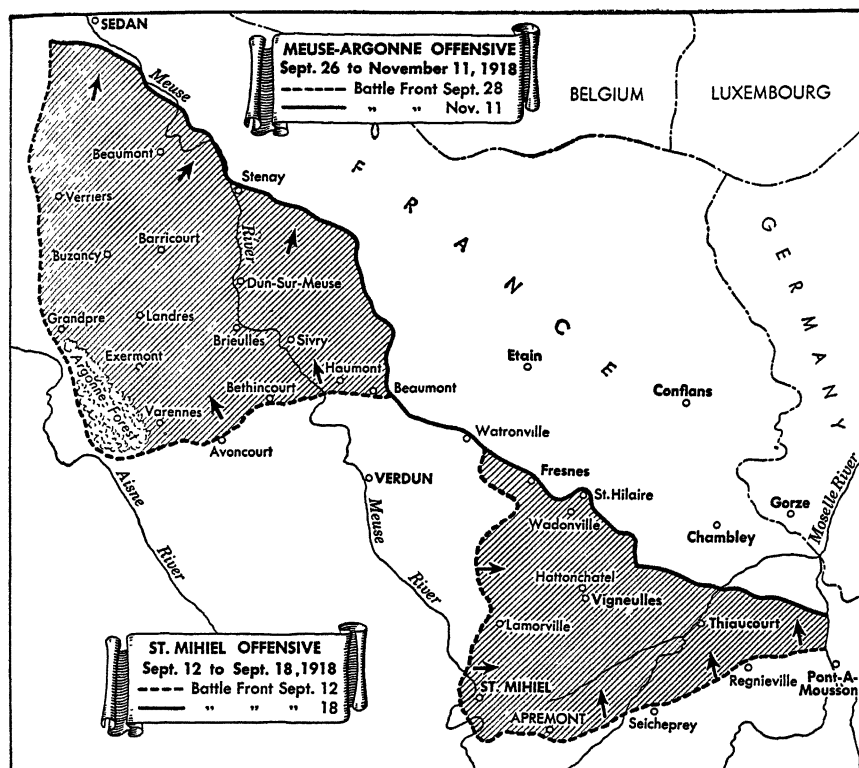


thousand prisoners were taken, but the victory was won at a cost of seven thousand American and French casualties. Pershing wanted to continue his advance and attack Metz, but Foch had other plans and would not consent to this.

The American advance in the Meuse- Argonne area

After their success at St. Mihiel the American soldiers were taken away from this front and distributed along another sector of the Allied line. This line, extending from Verdun to the Channel, was two hundred miles long. The sector assigned to Pershing was ninety-four miles long, but only twenty-four miles of it were to move forward in the attack. The active sector was between the

Meuse River and the Argonne Forest. This was a very difficult part of the line since it was near the railroads which were supplying the German forces. For this reason the enemy was firmly entrenched and determined to put up a strong defense. The terrain was also difficult for the advancing army, which had to cross rivers, hills, forests, and ravines. Pershing had in all 600,000 troops including



some French divisions and corps. These forces were at first organized into one army, but in October Pershing created a second army and put it under the command of Major General Robert Lee Bullard. Despite the difficulties encountered, the American armies pushed their way through the Argonne Forest and down the Meuse, continuing their advance until they were stopped by the armistice. They had, as Pershing later reported, "cut the enemy's main line of communications, and nothing but surrender or an armistice could save his army from complete disaster." This success, however, was purchased at a cost of one hundred and twenty thousand casualties.

*Other Allied
victories*

The American advance in the Argonne-Meuse area was only a part of a general offensive that Foch was conducting against the entire German front from Ypres to Verdun. West of the American sector the English and French forces, with the aid of some American divisions, were advancing against the Hindenberg Line, and by November 5 the German front had collapsed. The Allies had also been successful in their drives against the Bulgarians, the Turks in Palestine, and the Austrians in Italy.

*The American forces
in Russia*

The part played by American soldiers in the war was not confined to these major operations. Some of our soldiers fought in Belgium and a division took part in the campaigns in Italy. American soldiers were also sent to aid the Allies in their fight against the Bolsheviks of Russia. Five thousand American troops fought with the Allies in the Archangel-Murmansk area from September, 1918, to May, 1919, and ten thousand participated in the Allied expedition to Vladivostok and eastern Siberia. They were detained in this region until January, 1920.

*The American war
casualties*

The total number of men enrolled in all the American armed forces was approximately 4,800,000. Of these, 4,000,000 were in the army. Those that went overseas numbered 2,086,000 and, of these, 1,400,000 saw active service. The cost of the war in human life was small compared with that of the other belligerents. The reason for this was that the period of actual fighting for them was short—about two hundred days. The total number of deaths was 25,000, more than half of which were due to disease. The influenza-pneumonia epidemic which raged during the fall and winter of 1918 accounted for two thirds of all the deaths by disease. Except for this epidemic the health of the soldiers was good and five sixths of all the wounded recovered. This was due to fine hospital facilities, a well-organized medical corps, and the great advance which had been made in the field of medicine and surgery. Sanitary regulations, vaccination, and the use of other preventive measures reduced to a minimum such diseases as typhoid fever, dysentery, cholera, and others of like nature. More than 31,000 physicians were drawn from civilian life.

*Wilson's
Fourteen
Points*

America's entrance into the war did not cause President Wilson to give up his hope that the war might be used to clear away the impediments to a lasting peace. He looked to a new world order based on international good will. Such an order must rest on the foundation of "a peace of justice." He therefore continued to advocate a peace, the terms of which would be fair to all nations—to the defeated as well as to the victors. These war aims were proclaimed in the addresses that he made from time to time. In a speech before

Congress on January 18, 1918, these ideas were formulated in Fourteen Points. The program for world peace as outlined in the Fourteen Points was as follows:

1. "Open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind. . . ."

2. Absolute freedom of navigation upon the high seas, "alike in peace and in war."

3. The "removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations. . . ."

4. The reduction of national armaments "to the lowest point consistent with domestic safety."

5. The adjustment of colonial claims on the principle that "the interests of the populations concerned must have equal weight with the equitable claims of the government whose title is to be determined."

6. The "evacuation of all Russian territory."

7. The evacuation and restoration of Belgium.

8. The evacuation and restoration of occupied areas in France and the righting of "the wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine."

9. A readjustment of the frontiers of Italy "along clearly recognizable lines of nationality."

10. A grant to the peoples of Austria-Hungary "the freest opportunity of autonomous development."

11. The evacuation and restoration of Rumania, Serbia, and Montenegro, with the provision that Serbia be granted free access to the sea.

12. A guaranty of sovereignty to the Turkish portions of the Ottoman Empire, with the assurance of "an absolutely unmolested opportunity of autonomous development" to the other nationalities under Turkish rule; and the opening of the Dardanelles "as a free passage to the ships and commerce of all nations under international guarantees."

13. The creation of an independent Polish state "which should include the territories inhabited by indisputably Polish populations, which should be assured a free and secure access to the sea, and whose political and economic independence and territorial integrity should be guaranteed by international covenant."

14. The organization of a general association of nations "under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike."

The high idealism of the Fourteen Points gave Wilson for the

*The
armistice:
Negotiations*

time being the moral leadership of the world. At that time, however, they made little or no impression on the German military leaders who were still hopeful of victory. When the German offensive was halted in July and Foch's offensive was well under way, the High Command realized that the military decision had gone against them. They then advised their government to make peace. With the Hindenberg Line broken and disaster staring them in the face, both Germany and Austria asked for a truce to be followed by a peace based on the Fourteen Points. These requests were sent through the Swiss government early in October, 1918. In the meantime the liberal forces had won control of the government in Germany, with Prince Max of Baden as Chancellor. After receiving replies to some important inquiries made by him, President Wilson became convinced that the new government represented the German people. He then transmitted the requests to the Allied governments and advised that an armistice be signed.

The Allied leaders were loath to make the concessions promised by the Fourteen Points and showed signs of balking at them. The principles of the Fourteen Points were inconsistent with the territorial aspirations of the Allies and their commitments under the secret treaties. However, through the representations of Colonel House they were made to see that the United States might withdraw from the war if a peace in accordance with these terms were not accepted.¹ This threat had the desired effect and they were induced to accept the Fourteen Points, although not without some modification. It was agreed on November 4 by the Supreme War Council that in offering armistice terms to the Teutonic Powers the Fourteen Points would be the basis of the peace, with the omission of the clause regarding the freedom of the seas and the addition of the provision "that compensation will be made by Germany for all damage done to the civilian population of the Allies and their property by the aggression of Germany by land, by sea, and from the air." With this understanding the armistice was signed on November 11, 1918. The armistice did not come in time, however, to save Germany and Austria from revolution. A mutiny broke out in the navy at Kiel on October 28. A few days later a republic was proclaimed in Berlin and on November 9 Friedrich Ebert was placed at the head of the government. On the same day the Kaiser abdicated

¹ Colonel House intimated that if the Allies would not accept the American program "it would doubtless be necessary for the President to go to Congress and place before that body exactly what Italy, France, and Great Britain were fighting for and to place the responsibility upon Congress for the further continuation of the war by the United States in behalf of the aims of the Allies. . . ."

and fled to Holland. Austria became a republic on November 12 and Hungary four days later.

The terms of the armistice were such that Germany could not renew the war with any hope of success. She was forced to surrender her submarines to the Allies, but other warships, battleships, and cruisers were to be interned at some neutral port.¹ The Germans had to withdraw to the left bank of the Rhine and surrender the three important bridgeheads of Cologne, Coblenz, and Mainz; turn over to the Allies an immense amount of military stores and railroad equipment; and return all prisoners of war as well as all civilians deported from occupied areas. The unfair treaties imposed on Russia at Brest-Litovsk and on Rumania at Bucharest were to be canceled.

*Terms of the
armistice*

Just prior to the signing of the armistice the United States had to go through the throes of a Congressional election. The Democrats suffered a defeat, with the Republicans winning the Senate by the narrow margin of one and the House of Representatives by a majority of twenty-one. Since this was a repudiation of Wilson by the country, it weakened the position of the United States in the coming peace negotiations. Wilson had realized the importance of securing an endorsement by the people and had appealed to the voters to elect a Democratic Congress. A failure to do so, he contended, would prevent the United States from presenting a solid front at the peace conference. The Republicans had, he said, given loyal support to the war but were not sustaining him in his peace efforts.

*The election
of 1918*

In thus asking for a return of his own party to power he was following a precedent set by the Republicans in 1898. At that time Theodore Roosevelt and President McKinley urged the country to elect a Republican Congress to support the war and the efforts of the peace commission.² Wilson's appeal, however, injured the prospects of his party; for the Republicans took advantage of it to charge the President with attempting to use the war for partisan advantage and with accusing them of disloyalty. The Democrats also had other handicaps to overcome. Each of the measures carried out during their six years of power had aroused some opposition and the sum total of this opposition made a dangerous aggregate.

¹ These ships were later (June, 1919) scuttled by the Germans at Scapa Flow, where they had been interned.

² In this campaign (1898) President McKinley said that "this is no time for divided councils." In his appeal to the voters Roosevelt said that "your votes this year will be viewed by the nations of Europe from one standpoint only. . . . A refusal to sustain the President this year will, in their eyes, be read as a refusal to sustain the war and to sustain the efforts of the peace commission."

One group opposed Wilson's domestic reforms, another his handling of the Mexican situation, and others his war policy. The pacifists and pro-Germans had blamed him for going into the war, and the jingoes severely attacked him for a lack of aggressiveness toward Germany. Then, too, as commander-in-chief of the fighting forces he had been compelled to exercise powers which some of his opponents regarded as dictatorial. In this campaign, therefore, the Democrats would probably have lost even if the President had not committed an error in tactics by asking for a Democratic Congress.

PEACE NEGOTIATIONS

*American
peace com-
missioners*

Although the recent defeat of his party at the polls indicated that the country had not endorsed his policies, the President went ahead hopefully with the work of getting ready for the peace conference. In choosing his peace commissioners and in mapping out his peace program he conferred with Senatorial and other leaders of both parties, but he probably did not make as full a use of their counsel as the difficult situation demanded. At any rate his opponents contended that he had not shown good judgment in the choice of the delegates to the Paris Conference. The selection of Secretary Lansing was virtually an ex-officio appointment and was therefore not open to criticism. Apparently wisdom was also shown in choosing Colonel House, for he more than any other American was familiar with the European situation and acquainted with the statesmen with whom the American commissioners would have to deal. There was, however, less reason for two other selections—those of General Tasker H. Bliss and Henry White, a former ambassador to Rome and Paris. White was the only Republican member of the commission and he had not been active in politics in recent years. Wilson was criticized for not putting one or more Senators on the commission and for failing to give the Republican Party stronger representation. If he had named two such prominent Republicans as Elihu Root and ex-President Taft or one Republican and one Democratic Senator the treaty as finally agreed to might have been accepted by the Senate.¹

*Wilson goes
to Paris*

Another cause of criticism was the President's decision to go to Paris as the head of the American commission. Each of the Allied powers would be represented by the head of its government, and Wilson felt that only by a fight in person could he induce the Allied premiers to accept his plan of a just peace. The idealism of the

¹ One difficulty in selecting a Senator from each political party was that the logical representative of the Republican Party was Henry Cabot Lodge, since he was soon to be Chairman of the Senate Foreign Relations Committee; but his bitter enmity toward Wilson and his extreme partisanship ruled out the possibility of his selection.

Fourteen Points was gladly welcomed by the people of the Allied countries but not by the leaders who would frame the peace. The Fourteen Points would have to be interpreted and applied to specific cases. This might be done in such a way as to defeat the purposes of the President. In leaving the country to take part in the negotiations Wilson was acting without precedent. His enemies ascribed to him the motive of vanity for thus absenting himself from the country at a time when domestic affairs so badly needed his attention. He won concessions at Paris in line with his aims which his appointees might not have obtained, but in so doing he weakened his position in the United States.

Sailing on the *George Washington*, a former German liner, Wilson arrived at Brest, France, on December 13, 1918. Next day as he passed through the streets of Paris he received an ovation which betokened marvelous enthusiasm on the part of the people. Since the Peace Conference was slow in beginning he had time to travel in England and Italy. In Rome and in London, as well as elsewhere, he was received with an almost worshipful enthusiasm. Everywhere he was welcomed by liberals as the embodiment of their ideals and the protagonist of justice.

Wilson's enthusiastic welcome in Europe

The Peace Conference opened in Paris on January 18, 1919. All countries were represented that had fought on the side of the Allies, including some like Brazil and China that had not actively participated in the war. The enemy countries had no representatives. This rather large body was organized with Georges Clemenceau, Prime Minister of France, as president. Actual negotiations were not carried on by the Conference as a whole. Measures were worked out by small groups meeting in secret session and were then ratified by the Conference meeting in plenary session. This small committee was at first the Council of Ten, consisting of the two leading representatives of each of the five great powers—the United States, England, France, Italy, and Japan. Later the real work of the Conference was performed by the Council of Four (usually called the "Big Four"), consisting of President Wilson, Clemenceau, Lloyd George, Prime Minister of England, and Orlando, Prime Minister of Italy.

The Peace Conference: Organization and procedure

The "Big Four"

Each of these four leaders was advised by a group of experts who had made a careful study of every situation with which the Conference had to deal. President Wilson was especially inclined to accept the suggestions of his advisory group, although in a few instances he was unable to carry out all their recommendations. On the voyage over he said to a group of his experts: "Tell me what's right, and I'll fight for it." In September, 1917, Wilson had author-

Expert advisers

ized Colonel House to choose a body of men to make a study of European conditions. In response to this instruction House had assembled a group of economists, historians, geographers, political scientists, and other specialists. This "brain trust" was a nonpartisan body known as the "Inquiry." After careful study it was in a position to furnish the American representatives with valuable data as to boundaries and economic and racial conditions. These experts accompanied Wilson to Paris and constituted his advisory council. He kept in constant touch with them by daily conferences, and had them present at meetings of the Council of Ten and the Big Four.

*Difficulties
confronting
the Confer-
ence*

Many difficulties were to be overcome if a just peace were agreed upon. The Conference could not devote all its attention to the formulation of the terms of peace; it had to grapple with serious reconstruction problems. National jealousies and social unrest were widely prevalent, and in certain regions the embers of the great conflict "were blazing up into small wars." The peoples of central and southeastern Europe were threatened with starvation. The peace commissioners had to meet these problems and also those of restoring industry and rehabilitating transportation in the war-torn countries. Even without these outside responsibilities, the Conference would have had great difficulty in agreeing upon a peace of justice. To begin with, Paris was not the proper place for the Peace Conference. The temper of the people there was against such a settlement as was demanded by Wilsonian idealism. The terrible suffering to which France had been subjected left her in no mood for such a peace. A greater obstacle was the secret treaties by which the Allied powers were bound. Wilson contended, however, that the acceptance in modified form of the Fourteen Points annulled all previous commitments which were inconsistent with them, but the Allies did not agree with this view. Wilson was also disappointed in the hope that public sentiment at home would force the Allied leaders to accept a Fourteen Points peace.

*Drafting the
Covenant of
the League
of Nations*

Since he regarded the League as of paramount importance, Wilson determined to make a strenuous fight for it. Lloyd George was indifferent to the plan, and Clemenceau, having no faith in it, preferred the old system of alliances by which France had been saved in the past. Despite his indifference, however, Lloyd George in the beginning gave his support to the League. With this start the principle of a League of Nations was able to secure a unanimous endorsement by the Conference in its second plenary session (January 25, 1919). At the same time it was decided that the constitution of the League would be made a part of the Treaty. A commission of which

Wilson was chairman worked faithfully on a constitution for the League, and on February 14 reported to the Conference the draft of a constitution, which was known as the Covenant. Since the report had been endorsed by fourteen nations this was a virtual acceptance of the League.

Wilson left at once for the United States taking with him the Covenant for discussion with prominent American statesmen. While over here he consulted such outstanding Republicans as Taft, Charles E. Hughes, and Elihu Root. He accepted several amendments proposed by Taft with the hope that in so doing he could win the support of the moderate Republicans. One of these amendments provided that any member of the League could withdraw after two years' notice. Another revision recognized the Monroe Doctrine in these words: "Nothing in this Covenant shall be deemed to affect the validity of international engagements, such as treaties of arbitration or regional understandings like the Monroe Doctrine, for securing the maintenance of peace."

President Wilson's hope that his concessions on the League would win Republican support was soon shattered. By the skillful maneuvering of Senator Lodge thirty-nine Senators were induced to sign a "round robin" against the League on the last day of the session (March 4, 1919). They declared that "the constitution of the League of Nations in the form now proposed to the peace conference should not be accepted by the United States." Unfortunately for the cause, Wilson allowed himself to be provoked by this action of the Senators into an unwise rejoinder. Just before embarking for the return to Paris, Wilson in an address in New York said: "When that treaty comes back, gentlemen on this side will find the Covenant not only in it, but so many threads of the treaty tied to the Covenant that you cannot dissect the Covenant from the treaty without destroying the whole vital structure." Since this statement might be construed as a threat it gave his enemies another point of attack. Wilson was able to secure the acceptance by his colleagues at Paris of the Taft amendments to the League, and on April 28 the Conference in plenary session accepted the revised Covenant without a dissenting voice.

On his return to Paris from his trip to the United States Wilson found that his position in the Council of Four had been weakened. The others of the Big Four were now thoroughly aware of the opposition to him in the United States and were less disposed to consider him as the spokesman for his country. Then, too, to win acceptance for the amendments, he had to make concessions to his colleagues. In the second phase of the Conference his course was

The "Round Robin"

Wilson's position at Paris weakened by opposition in the United States

therefore not one of smooth sailing, and while he put up a brave fight for his ideals, he had to yield to compromise on more than one important point.

Reparations

One of the causes of dispute was that of reparations. The Allied countries whose territories had been in part overrun by the German invasion were all crying for large indemnities to cover restoration. In a recent election Lloyd George had promised heavy reparations to the British people. The politicians of France and England wanted to include the costs of the war, along with pensions, in the bill of reparations for Germany. Wilson rightfully contended that this would be in violation of the armistice understanding. Lloyd George and Clemenceau were opposed to designating a lump sum, feeling that any figure named would be unacceptable to their constituents. Wilson, on the other hand, asked that the amount of reparations be reasonable and definitely fixed, so that conditions would become settled in Germany and the people would be encouraged to work. The decision, made at a time when Wilson was ill with influenza, was not in keeping with these demands, since pensions were included in the bill for reparations and the total amount of reparations was left for future determination. One concession in the direction of a just settlement was the appointment of a Reparations Commission, on which the United States was to be represented, with large powers in determining and collecting reparations. Wilson hoped that the Commission, deliberating in the quiet atmosphere of peace, would arrive at a just solution of the reparations problem. This it failed to do, however, for it set the figure at about 33 billion dollars. Later, by the Young Plan this amount was cut to about 8 billion dollars.

The Saar basin and the west bank of the Rhine

France made demands which Wilson was unwilling to accept. It was unanimously agreed that Alsace-Lorraine should be restored to France. Clemenceau, however, asked in addition that the rich coal-bearing region, the Saar basin, be given to France, partially to compensate her for the coal mines that the German forces had destroyed on French soil. He also wanted all the German territory west of the Rhine cut off from Germany and formed into a buffer state. This new state would be demilitarized and put under France's sphere of influence. He maintained that the network of railroads on the left bank in connection with the Rhine fortresses made it easy for Germany to attack France.

To Wilson these demands were in violation of the implied pledge to Germany in the armistice terms to the effect that she would not be dismembered; for the Saar basin, as well as the region west of the Rhine, was inhabited by Germans. Lloyd George stood with Wilson

in opposing France's claim to the Saar region and the separation of the west bank of the Rhine from Germany, for this would be to create another Alsace-Lorraine. He contended that if the victors were to act with injustice and arrogance instead of as arbiters, such action would cause another war. Clemenceau's demands created such tension that Wilson ordered the *George Washington* to come to Brest (April 7). This meant that he was contemplating a return to America and thereby terminating American participation in the negotiations. Faced with this danger, the Allied leaders began to abate their demands. As a result of this spirit of compromise, adjustments were made as to reparations, the Saar basin, and the Rhine region. France was given property rights in the Saar coal mines, but the region was to be governed by the League of Nations for fifteen years. At the end of that time the people were to decide by a plebiscite whether they wished to belong to France or Germany.¹ Germany was to retain her territory west of the Rhine, but this area, as well as a strip fifty kilometers wide on the right bank, was to be demilitarized. To insure the execution of the Treaty the Allies were to occupy that part of Germany west of the Rhine and the bridgeheads on the east bank of the Rhine for a period of from five to fifteen years.

Clemenceau felt that these concessions deprived his country of a means of defense to which she was entitled and exposed France to future attack. To allay his fears on this score, Wilson and Lloyd George signed with him a tripartite agreement by which England and the United States would come to the aid of France if she should be attacked without provocation by Germany. This "undertaking," as Wilson termed it, did not amount to anything, for it was never seriously considered by the United States Senate.²

The tripartite agreement

Wilson's difficulties did not all stem from the unreasonable attitude of England and France. The demands of Italy and Japan also raised serious problems. The Italian delegation was determined to secure Fiume for Italy. Wilson contended that since this port was the natural outlet for the commerce of Hungary, Bohemia, Roumania, and Jugoslavia, to give it to Italy would be to cut these states off from access to the Mediterranean. Nor did the principle of self-determination demand that this be done, for if Fiume and its suburbs were considered together the Italians were in the minority. Wilson published a memorandum which had been approved by Lloyd George and Clemenceau giving his position on the Fiume

Fiume

¹ When this plebiscite was held the people voted to go under the authority of Germany.

² The plan was never reported to the Senate by the Foreign Affairs Committee.

controversy. The Italian delegates, considering this an attempt to go over their heads to the Italian people, in a spirit of protest withdrew from the Conference. Later (May 7) they returned to take part in the proceedings, but no final settlement as to Fiume was reached by the Peace Conference.

Shantung

More serious than the Fiume problem was the question of Shantung, posed by Japan. By a secret agreement (February 17, 1917) the Allied powers had promised Japan that she would receive Germany's rights in the Far East. On the basis of this agreement Japan asked for Germany's economic concessions in Shantung and the leasehold at Kiaochow, which the Japanese had taken from the Germans. Wilson refused to be bound by this secret treaty and strongly objected to such an infringement of China's rights; but since he had already aroused the bitter antagonism of the Italian delegation he felt that it would be dangerous to go too far in his opposition to Japanese demands. The Japanese representatives had threatened to leave the Conference if this request were not granted. Wilson feared that the League would fail if both Italy and Japan refused to sign the treaty. He therefore yielded although not without great reluctance. To aid him in arriving at a favorable decision the Japanese delegation gave a verbal promise that Japan would restore to China her political authority over the Shantung Peninsula¹ and Japan would retain only her economic interests and a settlement at Tsingtau. Wilson's acquiescence in this arrangement gave his enemies at home their strongest point of attack and they took full advantage of the opportunity.

*The signing
of the
Treaty*

The terms of the Treaty were submitted to the German delegates on May 7, 1919. Although President Wilson and General Smuts favored oral discussion with these delegates such discussion was not permitted. The German representatives gave their answer in writing, pointing out terms which to them seemed unreasonable if not impossible. Lloyd George and his English colleagues were so deeply impressed with the reply that they advocated important amendments. The American delegation was in sympathy with these proposals, but, fearing the results of delay, President Wilson made no demand for fundamental changes. Clemenceau was opposed to any concessions, but despite his ardent opposition some revisions of importance were made. Even with these modifications the treaty was unacceptable to the German delegates, and it was only with

¹ This promise was kept when in 1922 Japan arranged to turn Shantung back to Chinese rule.

For a defense of Wilson's action with reference to the Shantung problem, see T. A. Bailey, *Woodrow Wilson and the Lost Peace* (The Macmillan Co., 1944), 276-285.

great reluctance that they added their signatures to it. The Treaty was signed on June 28 by Germany and all the Allies except China.

Wilson had made a persistent and consistent effort for a clean peace. The fact that his high idealism was not embodied in the treaties was not due to any lack of effort on his part. The forces in favor of the old realism were too strong for him. There were only two alternatives open to him. One was to accept compromises; the other was to leave the Conference. If he had chosen the latter alternative the result would have been worse for Europe than the decisions finally adopted. Furthermore, he hoped that the League of Nations would eventually right the wrongs that were perpetrated by the Conference. One serious weakness in his position was that he had not prepared beforehand a detailed plan by which his idealism could be implemented.

*Wilson's
fight for a
just peace*

CHAPTER XXVII

Problems of Peace and Reconstruction

THE UNITED STATES SENATE AND THE TREATY

*The Covenant
of the League
of Nations:
Machinery of
the League*

THE Covenant, or constitution, which provided for the organization of the League of Nations constituted the first part of the Treaty of Versailles. The seat of the League was to be Geneva, Switzerland. The machinery of the organization was to consist of the following: (1) The Assembly; (2) the Council; (3) the Secretariat; and (4) a Permanent Court of International Justice (usually known as the World Court).

The Assembly was to be made up of representatives of every member nation, with one vote for each member. It was to meet at stated intervals or at other times as occasion might require.

The Council, consisting of nine members (later enlarged), one from each of the five leading powers and others to be chosen by the Assembly from the smaller nations, was to meet at the seat of the League once a year, or oftener if necessary. Although both the Assembly and the Council could consider "any matter within the sphere of action of the League or affecting the peace of the world," the Council was to play a more important part than the Assembly in the performance of the duties of the League. Action by both the Assembly and the Council was seriously hampered by the requirement in each of a unanimous vote of those present in nearly all decisions of importance.

The Secretariat, comprising a Secretary General and such secretaries and staff as might be required, was to conduct the correspondence of the League, preserve its archives, and perform the other clerical duties.

The World Court (which was not organized until 1921) was "to hear and determine any dispute of an international character which the parties thereto submit to it. The Court may also give an advisory opinion upon any dispute or question referred to it by the Council or by the Assembly."

*Agreements
for prevent-
ing war*

With the view to preventing war, the members of the League agreed to certain general principles and assumed certain clearly defined obligations. The Council was to formulate plans for a limitation of armaments and the members were to keep each other fully informed "as to the scale of their armaments, their military,

naval, and air programmes, and the condition of such of their industries as are adaptable to war-like purposes." It was agreed that, if there should arise between the members any dispute likely to lead to a rupture, they would submit the matter either to arbitration or to inquiry by the Council, and in no case would "resort to war until three months after the award by the arbitrators or the report by the Council." In every disagreement the Council should endeavor to effect a settlement of the dispute; but if the dispute should not be thus settled the Council should make a statement covering the facts of the dispute and the recommendations regarding it. "If a report by the Council is unanimously agreed to by the members thereof other than the representatives of one or more of the parties to the dispute, the members of the League agree that they will not go to war with any party to the dispute which complies with the recommendations of the report."

If any member shall resort to war in violation of its covenants, "it shall *ipso facto* be deemed to have committed an act of war against all other members of the League," and all members of the League are to sever all trade and financial relations with the offending state and prevent it from having any commercial or financial relations with any other state. "It shall be the duty of the Council in such case to recommend to the several Governments concerned what effective military, naval, or air force the Members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League."

The colonies not ready for independence which were taken from the enemy powers were to be put under the tutelage as mandates of other powers under the general supervision of the League. Each mandatory power was to render an annual report to the Council in reference to the territory committed to its charge.

*Colonial
policy*

On July 10, 1919, the text of the Treaty, with the Covenant of the League sewed in, was presented to the Senate by President Wilson. The terms of the treaty had, however, previously been made public and debate on them had already been started in the Senate. It soon became evident that there was considerable opposition to the Treaty. Many German-Americans were against it because of the severity of the terms imposed on the Fatherland. Irish-Americans were also loud in their criticism of the treaty because there was no provision in it looking to Irish independence. By his stand on the Fiume question Wilson had antagonized the Italian-Americans and they too lined up in opposition to the terms of the settlement. Many liberals were also disappointed because the principles of the Fourteen Points had not been fully adhered to in the Paris negotia-

*Opposition
to the
League of
Nations*

tions. To these various causes of dissatisfaction was added the feeling still prevalent in certain quarters that a break with the historic tradition in favor of isolation would be fraught with danger. This dread of entangling alliances was fostered by the reaction against the idealism of the war period. Besides, there was a woeful lack of information regarding foreign problems, not only among the masses but too often among their leaders also.

Public sentiment for the League

Despite all these causes of opposition public sentiment throughout the country was, however, predominantly in favor of the League and the acceptance of the Treaty. Thirty governors and at least thirty-two state legislatures had endorsed the League and the press was giving it strong support. Even Senator Lodge, the leader of the opposition to the League, admitted that public sentiment was for it. In his opinion most of the preachers and a large proportion of university professors, newspaper editors, and literary men and women were advocating the League. Prompt action on the part of the Senate would doubtless have resulted in a confirmation of the Treaty and the acceptance of the League.¹

The League and the Senate Foreign Relations Committee

The Republicans had a narrow majority² in the Senate and were therefore able to control the committees. The membership of the Foreign Relations Committee was so chosen as to insure that a majority would be hostile to the League. The chairman of the committee, Henry Cabot Lodge, was an intense partisan and a bitter personal enemy of the President. Since Wilson had taken the lead in the championship of the League, Lodge had led the opposition to it, although prior to that time he had been an ardent advocate of a league to enforce peace. He realized that the ratification of the Treaty and the acceptance of the League by the Senate would prove a winning point for the Democratic Party and a personal victory for Wilson. If ratification were delayed, opposition to the Treaty might be aroused and organized and its defeat encompassed. It was for this purpose, according to Lodge's critics, that he kept the Treaty in

¹ This opinion was expressed by Senator George E. Moses, one of the bitterest of the opponents of the League.

² The Senate was composed of 49 Republicans and 47 Democrats. In the Republican list was included Truman H. Newberry of Michigan, who had defeated Henry Ford running on the Democratic ticket. At the time he helped the other Republicans organize the Senate, Newberry was under indictment for having violated the Federal Corrupt Practices Act by an excessive use of money in the campaign. He was later convicted but was saved from penalty by a decision of the Supreme Court to the effect that the act was unconstitutional. So strong, however, was public sentiment against him that he later resigned his seat. If the automobile manufacturer had won in the electoral contest the Democrats would have tied in the Senate and the deciding vote would in all important decisions have been cast by the Democratic Vice-President. The Democrats would therefore have been able to organize the Senate and select a committee favorable to the League. Had that been done prompt ratification of the Treaty might have resulted.

committee for about two months before reporting it to the Senate. He devoted two weeks of this time to reading aloud the text of the Treaty, and a longer period to public hearings.

The committee also held a public conference with the President (August 19) at the latter's invitation. At this three-hour conference Wilson was conciliatory in manner and made an earnest effort to clarify all doubtful points. By reading a prepared memorandum and by giving frank and straightforward answers to the numerous questions propounded by members of the committee, he made clear his position with reference to reservations and amendments. He did not object to interpretations accompanying the act of acceptance, but insisted that these explanations or interpretations should not be a part of the resolution of ratification. He showed that if reservations were incorporated in the resolution of adoption it would cause great delay since all the signatory powers, including Germany, would have to agree to them. Furthermore, it would open the floodgates, and the other powers would have amendments and reservations to offer. The result would be confusion and chaos. He argued with special force against any weakening of Article X, a provision which he himself had suggested at Paris and which he considered "the very backbone of the whole Covenant (see p. 541). Without it the League would be hardly more than an influential debating society." On the other hand, it did not, he maintained, impose any legal restraint on Congress in the exercises of its war powers.

*Conference
with the
President*

The President's masterly presentation of his case did not bring about a change of heart on the part of the committee, and he realized that ratification might fail if public sentiment were not brought to bear upon the Senate. With the view to stirring up sentiment in favor of ratification, he decided on a speaking tour in the Middle West and the Far West. His private physician advised strongly against the plan, for Wilson was in no condition for so arduous an undertaking. His health, which had never been robust, had been impaired by the strain to which he had been subjected by the war and the peace fight. His vitality had been still further depleted by an attack of influenza while in Paris. Wilson realized the risk he was taking, but he was willing to spend and be spent in the cause which was so dear to him.

*Wilson's
collapse*

Leaving Washington on September 3, he began a long tour in the course of which he made more than thirty speeches. Owing to his physical condition and the shortness of time in which he had to prepare his speeches, he was not at his best on this trip. Furthermore, to combat any favorable impression that he might make, two

irreconcilable Senators, W. E. Borah and Hiram Johnson, trailed him and made violent attacks on the League. These Senators were experienced campaigners and they were able to arouse enthusiasm in the vast audiences that came out to hear them. Despite these drawbacks the President's plan gave promise of success. East of the Mississippi River his reception was somewhat cool, but everywhere west of the Mississippi he was greeted with enthusiasm. In the Far West, particularly at Seattle and Los Angeles, he received ovations. One of the most enthusiastic receptions accorded him was at Pueblo, Colorado, on the return trip. When he began to speak "the entire audience arose and cheered for fully ten minutes." But the heavy strain could no longer be endured, and soon afterwards, he collapsed as his train neared Wichita, Kansas (September 25), and was forced to return to Washington. A stroke of partial paralysis, which came a few days after the return to the White House, was followed by a period of serious illness during which he had no political conferences. In a few months his health began to improve, but it was seven and a half months before he held a Cabinet meeting.

*Attitude of
Senators toward the
League*

In the meantime the Senate had gone ahead with its consideration of the Treaty. It soon developed that the Senators were divided into four groups as to their attitude toward the Treaty and the League, as follows:

1. The "irreconcilables." These were opposed to ratification of the Treaty with or without changes. Led by Borah of Idaho, James Reed of Missouri (a Democrat), and Hiram Johnson of California, they contended for a policy of isolation and were opposed to American participation in European affairs.

2. The "reservationists." This group, made up almost entirely of Republicans and led by Lodge, were opposed to the Treaty as it was and favored amendments (termed "reservations" by them) that would have materially changed the character of the League and made it unacceptable to most of its supporters. According to the ardent advocates of the League, these amendments were not presented with the hope of changing the Covenant, but were used as a means to prevent ratification by indirection. Furthermore, if these "reservations" were rejected and the Treaty defeated, the blame could be laid at the door of the Democrats.

3. The mild "reservationists," mostly Republicans, who were for ratification but sincerely wanted some minor changes in the League Covenant.

4. The advocates of ratification without change. This group included nearly all the Democrats.

Early in November (1920) the Senate adopted as conditions for

ratification fifteen reservations, sponsored by Lodge. Most of these reservations were concerned with changes in the Covenant of the League of Nations. The one regarding Article X was the most objectionable to Wilson and the pro-League Senators. Article X had the following provision: "The Members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League." In case of aggression or any threat of aggression "the Council shall advise upon the means by which this obligation shall be fulfilled." The second of the Lodge Reservations was as follows: "The United States assumes no obligation to preserve the territorial integrity or political independence of any other country by the employment of its military or naval forces, its resources, or any form of economic discrimination . . . unless in any particular case the Congress . . . shall . . . by act or joint resolution so provide."

*The Lodge
Reservations*

Wilson objected to the Lodge Reservations and advised the Democratic Senators to vote against them. He considered that the resolution for ratification under the conditions imposed by these reservations did not provide for "ratification but rather for nullification of the Treaty." He was especially opposed to the reservation regarding Article X, which he denounced as a "knife-thrust at the heart of the Covenant."

With Wilson ill and shut off from outside contacts, the pro-League forces were without effective leadership. The President communicated freely with the Democrats in the Senate and issued advice from time to time, but he was no longer in close touch with actual conditions and therefore was unable to make a correct appraisal of the situation. It is more than likely too that his illness had impaired his judgment. With a wise and effective leadership the Democrats might have carried the Treaty and the League through the Senate, although in all probability at the cost of compromise. On November 19, 1919, the vote was taken on the Treaty with the Lodge Reservations. Ratification was defeated by a vote of 39 for to 55 against. The yeas consisted of four Democrats and thirty-five "reservationist" Republicans; the nays, of thirteen "irreconcilables" with nearly all the Democrats. On that same day a vote was taken on unconditional ratification. The motion was defeated by a vote of 53 for to 38 against. (The ratification of a treaty requires a two-thirds majority vote.)

*The pro-
League
forces lacking
in leadership*

After this defeat of the League the spirit of compromise began to stir in the air. Public sentiment was against allowing a quarrel between the President and the Senate to block the measure. Some prominent Republicans, including Herbert Hoover and ex-President

*Unsuccessful
efforts at
compromise*

Taft, showed a willingness to come to terms with the League advocates, and some leading Democrats were disposed to give a cordial hearing to these overtures. In informal conferences held in December and January it looked as if an agreement could be reached, for both sides seemed inclined to make concessions. The hopes as to agreement raised by these conferences were dashed by the uncompromising opposition of the "irreconcilables." Borah and other "die-hard" leaders threatened to disrupt the Republican Party and depose Lodge from the chairmanship of the Foreign Relations Committee if he should yield. Threatened thus with a probable breach in the party, Lodge held firm and refused to make any change in the reservation on Article X, and Wilson would not accept the Lodge amendment to this important article.

*Lord Grey's
letter*

The position of the reservationists was strengthened by a letter written by Viscount Grey (January 31, 1920), who had returned to England after serving for four months as British ambassador at Washington. In his letter he advocated the acceptance by the British government of all but one of the Lodge Reservations. Although his communication was unofficial the favorable reaction of the British and French press seemed to indicate that the French and English people were in accord with the suggestion.

*Final defeat
of the
Treaty*

Despite the failure of the leaders to agree upon the reservations, the Senate did reconsider its action and again brought up the question of ratification. After five weeks of debate the Treaty was voted on for the third and last time (March 19, 1920). It was defeated by a vote of 49 for and 35 against.

*The war
ended by a
joint resolution
of
Congress*

After the failure of this last of the abortive efforts at agreement the Republican Congress passed a resolution offered by Senator Philander C. Knox declaring the war at an end (May, 1920). The resolution was killed by the President's veto. In his message explaining his veto of the Knox Resolution, President Wilson said: ". . . I cannot bring myself to become party to an action which would place an ineffaceable stain upon the gallantry and honor of the United States." In July, 1921, Congress passed a similar resolution offered by Senator Knox, which was signed by President Harding. This act put an end legally to our war with Germany—twenty months after actual hostilities had ceased. Later, treaties of peace were signed with Germany, Austria, and Hungary, all of which were promptly ratified by the Senate.

*Responsi-
bility for
repudiating
the League*

By thus repudiating the Versailles Treaty and the League of Nations the United States had returned to its old policy of isolation and had refused to assume its responsibility in world affairs. Being thus without the support of the leading world power, the League

started out under auspices which were far from encouraging. It was, however, the only organization through which the powers of the world could act in unified efforts to prevent future wars. If it should fail, the only barrier to international anarchy would be removed. President Wilson was among those who felt that the failure of the League would lead to world strife. On one occasion he made this ominous prophesy: "I can predict with absolute certainty that within another generation there will be another World War if the nations do not concert the method by which to prevent it." There was a widespread feeling both in this country and abroad that our government had been recreant to a serious responsibility and had thereby missed a great opportunity. For this unfortunate outcome both the supporters and the opponents of the League have come in for a measure of blame.

Wilson's critics tried to place the chief responsibility upon him. If he had been (as they charged) less obstinate he would have accepted the Lodge Reservations. By yielding on this point he would probably have won acceptance by the Senate. Furthermore, it was argued, the other signatories to the Versailles Treaty would doubtless have agreed to these amendments since they were anxious to secure the adherence of the United States to the League. Lord Grey's letter and the reaction to it in England and France were cited as a strong indication of the willingness of these powers to accept changes in the Covenant. Granted that Senator Lodge had acted from spite and other Republicans from partisan feeling, still (it was contended) Wilson should have swallowed his dislike of Lodge and overlooked the partisanship of his opponents. Even though the Lodge Amendments would have weakened the League, it could, declared these critics, as a going concern, gradually have regained its lost power.

Wilson's apologists did not, of course, accept the validity of these arguments. On the contrary, they were inclined to place most of the blame at the door of Senator Lodge and the other Republican opponents of the League. They contended that Wilson was not obstinate but was conciliatory toward the opposition and inclined to meet it half way. He was willing to accept explanatory reservations—those that would not change the character of the League. The Lodge Reservations would not only have emasculated the League but would have so changed it as to require the assent of all the signatories to the Treaty. To have asked for these changes, especially the one regarding Article X, which article Wilson had insisted upon at Paris, would have put Wilson and the country in an awkward position before the world. Furthermore, Wilson felt that the Lodge Reservations were not offered in good faith but only for the purpose

of defeating ratification. If they had been accepted, others more drastic would have followed. Then, too, Wilson was of the opinion that the American people would not stand for an act that was so clearly motivated by personal spite and partisan feeling. He verily believed that public sentiment would be so outspoken against it that the Senate would be forced to yield.¹

Although it would be very difficult correctly to apportion responsibility for the refusal of the United States to join the League there can be little or no doubt as to the unwisdom of this refusal. The enthusiasm for the United Nations Organization (which is similar to the League) after the Second World War showed that the American people and government had by 1945 almost unanimously repudiated the former attitude. That a policy of such tremendous import should have been tied up with personal hate and partisan feeling is reason for humiliating regret on the part of the American people.

THE PROBLEM OF RECONSTRUCTION

An inadequate reconstruction policy

During the war the economic machinery of the country had been geared to the war effort. With the return of peace there arose the important problem of adjusting the economic system to peace conditions. Unfortunately the government did not have at that time the wise guidance that was needed for meeting the difficulties of reconstruction. The effectiveness of Wilson's leadership was impaired partly by ill-health but still more by the lack of co-operation between the Democratic Administration and the Republican Congress. The President recommended measures that would provide employment for discharged veterans and for the gradual removal or modification of the restraints on business. Congress, acting under the influence

¹Of the adverse critics of Wilson's policy with reference to the Senate and the Treaty, one of the severest and ablest is T. A. Bailey, who in *Woodrow Wilson and the Great Betrayal* (The Macmillan Co., 1945) blames him for not accepting the Lodge Reservations. He contends that if Wilson had advised his followers in the Senate to accept these revisions or had allowed them to vote as they pleased, the pact would have been confirmed. According to this author, Wilson therefore with his own hands "slew his own brain child." Bailey admits that some of these reservations were unnecessary, some were offensively worded, and one at least (the fourteenth) was positively objectionable. But he seems to think that Lodge was sincere in suggesting these changes and that if they had been accepted he would gladly have supported ratification.

High in the list of the able protagonists of Wilson stands Alan Cranston, who in *The Killing of the Peace* (The Viking Press, 1945) presents in masterly fashion arguments (many of which are supported by excerpts from the documents) in defense of Wilson and in condemnation of the opponents of the Treaty. By a careful reading of this work one receives the impression that Wilson was motivated by a lofty patriotism—marred to some extent, however, by his hatred of Senator Lodge—and that Lodge, under the influence of partisan feeling and personal spite, had offered his reservations, not with an honest desire to change the pact, but primarily for the purpose of preventing its ratification.

of its own conservatism and the pressure of interested groups, refused to carry out Wilson's program of demobilization and reconstruction. Consequently, no adequate provision was made for easing industry from a wartime to a peacetime footing.

Immediately after the armistice the United States had begun demobilizing its armed forces, and by the fall of 1919 most of the four and one-half million servicemen had become civilians with the necessity of finding employment. Furthermore, the sudden cancellation of war contracts and the ending of large government purchases of supplies caused the prompt discharge of hundreds of thousands of employees in war industries and government service. It was widely predicted that a panic and depression would come very shortly with such curtailment of production and so much unemployment. There were, however, certain factors which postponed the day of reckoning so that large-scale production was quickly resumed and virtually all who were willing to work were afforded employment. These factors were the great shortage of civilian goods in both America and Europe—which had been brought about by the conversion of most industries to the production of materials of war—and the great purchasing power of the American people. The restraints on consumption imposed by the war were now removed and there was a great demand at home for goods. Europe, with its industry crippled by the war, had at first to rely on the United States for a large proportion of its supplies. The peoples of Europe, of course, were without the financial means of supplying their needs, which were far greater than those of the Americans; but the United States government made up this deficiency for a while soon after the war by lending both the late allies and the late enemies more than three and a quarter billion dollars. After the government ceased lending money, private agencies in the United States continued the practice on a large scale until the great depression.

The effect of this abnormal demand combined with the ability to purchase was the rapid reconversion of industries to the production of civilian goods, the further inflation of prices, and the harvesting of enormous profits. Prices of many industrial products continued to rise until November, 1920, two years after the actual ending of the war. Agriculture, which had been overexpanded by the war—not less than thirty thousand additional acres were put under cultivation—was further stimulated by the postwar demand in Europe and in the United States. Wheat, which had been selling for more than two and a quarter dollars when the armistice was signed, brought more than three dollars a bushel in the spring of 1920, and cotton had risen from less than thirty cents to nearly

*Depression
postponed;
the shortage
of civilian
goods*

*The postwar
boom; the
rise in the
prices of
industrial and
agricultural
products*

forty cents a pound after the war. The price of other farm products, including cattle and hogs, had risen in similar fashion.

Land speculation and farm mortgages

Land values increased even more rapidly than the price of farm products. Sandy, hilly, cotton lands in the lower South that had sold for ten dollars an acre, changed hands rapidly in 1919 for fifty dollars an acre; and the more fertile cotton lands in the black-belt rose from fifty dollars an acre to three and four times that amount. The black lands of Iowa and Illinois rose in places from one hundred to four hundred dollars an acre. Most farmers who purchased lands during the boom years borrowed money from some rural bank to make the purchase and to procure additional farm machinery, frequently giving a mortgage on both the farm that they were buying and the land which they already owned. In fact, this was the usual manner of acquiring land; and it was soon to bring great distress to the farmers of the country.

LABOR TROUBLES

With the return of peace the contest between labor and management again became acute. Thanks to the wartime demands and the sympathetic attitude of President Wilson toward labor, the cause of organized labor had been greatly strengthened during the war. Generally speaking, the advance in wages had been greater than the rise in prices, but this was not the case in all types of industry. Among certain groups of workers, notably miners and the employees in the textile and steel mills, the distress occasioned by high prices was not relieved by a corresponding increase in wages, and there was considerable discontent as to the labor situation. Industry, on the other hand, was bent on getting back to its prewar position. This conflict in aims led to a number of strikes in 1919 directed primarily at obtaining higher wages, shorter hours, and better working conditions. Some of these—known as “outlaw strikes”—were unauthorized or forbidden by the national organizations.

The Steel Strike; the presence of radical agitators creates public hostility

One of the most serious of the authorized strikes was that of the steel workers. The steel industry had successfully opposed the unionization of its employees almost from its beginning. It will be recalled how H. C. Frick had crushed the Amalgamated Association of Iron and Steel Workers in the Carnegie Steel Company during the Homestead Strike of 1892 (pp. 173 ff.); and the United States Steel Corporation under the domination of Elbert Gary and J. P. Morgan had been no more tolerant of unionization than had Frick. At the end of World War I, then, there was virtually no organization of the employees of the United States Steel Corporation or of any of the smaller steel concerns. Working conditions in the plants of this

system. This was the Industrial Workers of the World (I. W. W.). This new movement was started in 1905 with William D. ("Big Bill") Haywood as the leading spirit. It proposed to bring all laborers, both skilled and unskilled, into one big union. Its membership was made up mainly of the migratory workers in the West, those employed in the mines, lumber camps, and harvest fields. Most of these laborers were unskilled and therefore did not come under the protection of the American Federation of Labor. The aim of the "Wobblies" (a term often applied to the members of the I. W. W.) was the destruction of capitalism and the ultimate control of industry by the laboring class. "It is the historical mission of the working class," they declared, "to do away with capitalism." As a means of breaking down the capitalistic system and thereby paving the way for a socialistic regime, they advocated direct action—the strike, sabotage, and other illegal practices. In the decade and a half of their greatest activity they carried on about one hundred and fifty strikes, most of which were accompanied by acts of violence. The radical philosophy of the I. W. W., together with the violent methods used to shore it up, caused some of the Western states to enact severe laws against the organization. In a number of instances these statutes were enforced with marked severity. On account of their opposition to the war, in 1918 the Federal government had one hundred and eighteen I. W. W. leaders arrested on the charge of conspiracy. Ninety three of the accused, including W. D. Haywood, were convicted and given prison sentences. Haywood escaped, however, and fled to Russia. By this policy the backbone of the movement was broken and the I. W. W. soon ceased to be a cause of disturbance.

*The "Red
hunt"*

The Federal government also severely frowned upon other forms of radicalism. It was especially hostile to Communism or Bolshevism. The Communists, now in control of Russia, were conducting an active propaganda in other countries. In the war-torn areas of Europe where a shortage of food was causing serious discontent, Communism was making rapid strides. This doctrine was also getting what many people feared was a dangerous foothold in this country, for there was a group here composed of both aliens and natives who openly and militantly supported the Communist regime at Moscow. Their propagandist activity produced a state of mind in conservative quarters that bordered on hysteria. Attorney General A. Mitchell Palmer shared in this anxiety and carried on an active campaign to stamp out the heresy. Since peace had not been declared and the United States was technically at war, he used his war powers in prosecuting a vigorous "Red hunt." Hundreds

of Russian aliens and natives of other European countries were deported to their native lands, while American citizens, both native and naturalized, were frequently jailed without warrant and held for varying periods without being permitted legal counsel. Eventually those who were American citizens were delivered to the state authorities for prosecution under the criminal syndicalist laws. While there was an element in some of these radical groups—particularly the members of the International Workers of the World and the anarchists—that was ready and eager to resort to murderous violence to further its cause or to wreak vengeance, the general feeling today is that the Red menace at that time was greatly exaggerated and that an unwarranted attack was made on civil liberty. Furthermore, the part played in strikes by radical labor leaders, such as Foster, damaged the cause of organized labor with the public and made the labor policy of the conservative Republican administrations, beginning in 1921, more acceptable than would otherwise have been the case.

The Federal authorities were not alone in the belief that certain forms of radicalism should be stamped out. There was throughout the country a general fear of Communism and Socialism. In New York this apprehension went to such a length that the legislature voted (April, 1920) to expel five of its members on the sole ground that they were Socialists. The courts were also infected with a narrow reactionary spirit and rendered decisions which many high-minded liberals regarded as unjust.¹ The authorities, Federal, state, and local, were apparently acting on the false assumption that all radicalism is bad for the country. They also overlooked the consideration that even dangerous radicalism can best be prevented by remedying the social conditions which give rise to discontent—that it is wiser to remove the carcass than to frighten away the eagles.

The reaction toward isolationism and a narrow nationalism was

¹ A noted instance of alleged judicial unfairness was the Sacco-Vanzetti case. Nicola Sacco and Bartolomeo Vanzetti, Italian immigrants, were tried for murder at South Braintree, Massachusetts (April, 1920), and were convicted on flimsy circumstantial evidence. Since they had been draft dodgers and were atheists and anarchists, it was charged that the conviction was based on the views of the accused rather than on the evidence of their guilt. The execution of the sentence was delayed for seven years owing to the strong disapproval of the verdict expressed in all sections of the country. Many conservatives who had no sympathy with the views of the accused joined in this protest in the interest of fairness.

Another case which aroused a nation-wide protest was that in which Thomas Mooney and Warren K. Billings, radical labor leaders, were charged with having been responsible for a bomb explosion which killed ten people in a preparedness parade in San Francisco (July, 1916). They were convicted on what later proved to be perjured testimony and were sentenced to death. The sentence was commuted to life imprisonment but the courts would not grant a retrial. Finally Governor Olson granted a pardon to Mooney (1939) and later liberated Billings.

*The Ku
Klux Klan*

accompanied by a revival of the spirit of intolerance. One of the ugly forms that this spirit of intolerance now assumed was that of racial prejudice and hostility to foreigners. There was a feeling that the country would be swamped by an inrush of foreign immigrants, and the agitation during the war had created a strong feeling against hyphenate-Americanism. Prejudice against the Jews was revived, largely on account of the activity of some members of this race in the radical movement. The Negroes, alleging discrimination and unfair treatment as soldiers, were disgruntled and inclined to be aggressive. The self-assertion on the part of the Negroes had aroused feeling against them, which found expression in race riots and lynchings. Then, too, in the rural interior of the country, where conservative Protestantism was strong, there was revived the age-long fear of Popery. Out of these untoward circumstances there arose a movement which took the form of an organization known as the Ku Klux Klan.

The Klan was organized in Georgia in 1916 but did not become nation-wide until 1920. By 1925 it had a membership of more than five million. It opposed the League of Nations, pacifism, birth control, and the repeal of prohibition. It was hostile to Jews, Negroes, and Catholics, as well as foreign immigrants. Its attitude on these questions and its racial and religious prejudice were termed "hundred per cent Americanism." In its methods it imitated the post-Civil-War organization of the same name. Like its prototype, its members dressed in long white robes and wore masks. Since the membership was kept secret and the members could conceal their identity, they could escape individual responsibility for their acts. They thus had power without responsibility. That this power would often be abused goes without saying. They could and did punish conduct, especially that of Negroes, which they did not approve. This was done by the use of tar and feathers and by other methods of mob violence, in some cases going as far as murder. Threats were issued in the form of anonymous telegrams and cryptic written notices. At the height of its power, professional and businessmen in some communities were coerced into membership, and the press was frightened into silence. It went into politics in 1922 and for a time politicians were careful not to incur its displeasure. Its last outstanding political effort was its opposition to Alfred E. Smith in the campaign of 1928. It failed in the effort to defeat him for the Democratic nomination, but aided in his defeat in the election.

*The anti-
liquor crusade*

The war gave an impetus to two movements which resulted in the addition of two Amendments to the Constitution—one conferring the right of suffrage on women, and the other prohibiting the

manufacture and sale of intoxicating liquors. The agitation in favor of temperance goes back almost to the birth of the nation. During the three decades immediately preceding the Civil War it was especially active. The movement, interrupted and discouraged by the Civil War, was renewed in the later decades of the nineteenth century, and before the turn of the century the war on liquor had assumed an aggressive form. The Anti-Saloon League (organized in 1893) now took the lead in the fight. It was assisted by other temperance societies, such as the National Women's Christian Temperance Union and the Board of Temperance, Prohibition, and Public Morals of the Methodist Episcopal Church. The Anti-Saloon League was liberally financed by voluntary contributions from the various Protestant churches and was able to make an effective fight. Its leaders were adept in the art of practical politics and could play the political game as skillfully as their opponents. They owed much of their success to the deplorable condition into which the liquor traffic had fallen. Most of the liquor then consumed was retailed in barrooms. These barrooms not only stimulated drinking but also encouraged vice, for many of them were anterooms of gambling dens and houses of prostitution. The liquor interests had also been exerting an unwholesome influence on state legislation and municipal administration. Owing to these conditions and the energetic efforts of the temperance leaders a wave of prohibition sentiment had swept over the country. This sentiment, however, was confined mainly to the rural sections and was particularly strong in the Middle West and in the South. The Southerners were advocating prohibition largely because they felt that the free use of liquor was responsible for much of the crime committed by the Negroes. An argument everywhere used by the "dry" advocates was that without prohibition drunken automobile drivers would be a serious menace to human life.

So successful was the antiliquor crusade that by the end of 1914 eleven states had adopted state-wide prohibition and in other states there were areas that had been made dry by local regulation ("local option"). The difficulty of enforcing these prohibition laws was increased by the shipping of liquor into dry areas from wet states. To put a stop to this practice Congress passed the Webb-Kenyon Act (1913), which forbade the shipment of liquor into dry states. The war gave an added impetus to the temperance cause. There was a strong sentiment against the use of grain for making liquor when every effort was being made to conserve food. Furthermore, since many of the breweries were owned by German-Americans the beer business was looked upon with disfavor by

*Effect of the
war on
prohibition*

the public. In response to this feeling Congress passed an act (August, 1917) forbidding the use of grain in the manufacture of hard liquors and authorizing the President at his discretion to extend the prohibition to beer. Acting under this authority, the President later put beer under the ban.

The Eighteenth Amendment

The final victory of the prohibition forces was the adoption of the Eighteenth Amendment, which prohibited the manufacture, transportation, and sale of alcoholic beverages. This amendment, which was ultimately ratified by every state in the Union except Rhode Island and Connecticut, went into effect in January, 1918. To enforce the provisions of the Amendment, Congress passed the Volstead Act (January, 1920), which defined as intoxicating all liquors containing more than one half of one per cent of alcohol.

The Nineteenth Amendment

The war also gave added momentum to the trend in favor of woman suffrage. There had been an agitation for women's rights off and on since the end of the second decade of the nineteenth century. As a result of these efforts, especially those of the first decade of the twentieth century, in a number of states the right to vote had by 1911 been conferred upon women. There was now, however, a strong feeling in favor of granting them this franchise throughout the entire country. This could be done only by an amendment to the Federal Constitution. The cause of woman suffrage was greatly promoted by the fine service rendered by the women in aiding the war effort. As housewives they had cheerfully co-operated with Hoover in the conservation of food and had devoted time and effort to knitting socks and making bandages for soldiers and performing the other useful tasks assigned them. Nor were their efforts confined to their work at home. Many of them went to the front to serve as Red Cross nurses, ambulance drivers, or Y. W. C. A. workers. Wilson was at first opposed to action by the national government on the suffrage question, feeling that the regulation of suffrage should be left to the states. Later, however, he changed his view and advocated votes for women. The urgency with which the women were insisting on their demands doubtless figured as an important factor in his conversion. With such high sponsorship and with public sentiment so favorable, the success of the effort was assured. The Nineteenth Amendment, conferring on women the right to vote, was proposed by Congress in 1919 and was ratified the next year.

THE CAMPAIGN OF 1920

Harding nominated

When the Republicans assembled in national convention in Chicago on June 8, 1920, they were looking forward with assurance

to victory in the fall election. Since almost any candidate of reasonable availability could be elected, the leaders were concerned primarily with selecting a standard-bearer who would co-operate with them in their plans for the party. In the preconvention campaign three candidates had taken the lead. These were General Leonard Wood, Governor Frank O. Lowden of Illinois, and Senator Hiram Johnson of California. Herbert Hoover had also been considered favorably as a possibility, but his lack of experience in practical politics and his close association with the Wilson administration had rendered him unacceptable to those who were in control of the party machinery. During the first ballots in the convention Lowden and Wood were in the lead with little difference in their strength. Some opposition to them, however, had been aroused by the heavy expenditures on their behalf which big business had made in the preconvention fight. Besides, as the balloting proceeded, it looked as if Wood and Lowden were going to bring the convention to a stalemate and thereby menace the unity of the Republican Party. To prevent this a group of leaders held a conference in a "smoke-filled room," lasting nearly all night, and there decided to support Senator Harding of Ohio. Thanks to this move, Harding on the tenth ballot received the nomination.

The party managers had slated Senator Irvine L. Lenroot of Wisconsin for the Vice-Presidency. The delegates, however, disregarded these plans and named Governor Calvin Coolidge of Massachusetts by an overwhelming majority. Coolidge had been brought into prominence the previous summer by his attitude toward a police strike in Boston. In connection with this strike he had in a telegram to Samuel Gompers made this catchy statement: "There is no right to strike against the public safety by anybody, anywhere, any time." The wide circulation of this pithy apothegm by the press had given him much favorable publicity.

*Coolidge
named for
the Vice-
Presidency*

Harding gave promise of being a successful candidate. He had already won a rather prominent place in the counsels of the party. He had nominated Taft in the convention of 1912 and had been permanent chairman of the convention of 1916. In 1914 he was elected to the United States Senate. As Senator he had not made an outstanding record, but had been popular personally and regular politically. Possessing conventional opinions and being unhampered by profound convictions, he had always remained within the party traces. He was tolerant, amiable, and kindly in disposition. He had been successful as editor and proprietor of the Marion (Ohio) *Daily Star*, and toward social and international problems he had the attitude of conservatism which is so often induced by financial

*Harding;
personal
traits and
previous
career*

success. Moreover, he was handsome, even distinguished in appearance. He therefore had in large measure the qualifications that the leaders valued in their candidate. Of these desirable traits one of the most important was his amenability to party discipline, his willingness to go along with the bosses.



Courtesy of Dallas News

HARDING'S PLATFORM ON THE LEAGUE.

*Attitude of
the Republicans toward
the League*

The most difficult task before the convention was that of defining the position of the party on the League and the Treaty. The plan was to agree upon a formula by which conflicting views could be reconciled. In their attitude toward the Treaty and the League the Republicans, as has been noted, were divided into three groups, as follows: (1) the mild reservationists such as Hughes, Hoover, and Taft, who were willing to accept the League with minor reservations; (2) the Lodge reservationists, who would accept the League but only after substantial revisions had been made; (3) the irreconcilables, led by Johnson and Borah, who were unwilling to accept the League under any conditions. Evidently, a straddle would be the only position which would be acceptable to all these groups.

Accordingly, they repudiated the Covenant of the League of Nations but declared in favor of an "agreement among the nations to preserve the peace of the world."¹

The Democrats met in national convention in San Francisco on June 28, 1920. Following Wilson's suggestion that the campaign would be a "solemn referendum" on the Treaty and the League, the platform contained a straightforward endorsement of the Treaty and League with no reservations other than those that would be explanatory.² It also declared in favor of independence for the Philippine Islands. Since the main issue was to be the League, domestic affairs did not have a conspicuous place in the platform.

*The Democratic Convention:
Attitude toward the League*

President Wilson, sick in Washington, made no effort to direct affairs in San Francisco. Several candidates figured prominently in the balloting. The most outstanding of these were A. Mitchell Palmer, Attorney General in Wilson's Cabinet; William G. McAdoo, Secretary of the Treasury and son-in-law of the President; and James M. Cox, Governor of Ohio. On the forty-fourth ballot Cox was nominated. For second place the convention named Franklin D. Roosevelt, Assistant Secretary of the Navy. Cox had not had a conspicuous public record but had to his credit a successful administration as governor. The reforms carried out during his term put him in the ranks of the progressives. Roosevelt had also made a fine record in building up the navy.

Cox and Roosevelt nominated

Of the several minor parties that put up candidates the Socialist was the only one which showed any considerable strength at the polls. This party again nominated Eugene V. Debs for the Presidency. He was at the time serving a sentence in the Atlanta Federal Penitentiary for his opposition to the draft. Despite this handicap, however, he polled more than 900,000 votes.

Debs as Socialist nominee

Harding proved a good campaigner. Seated comfortably on his front porch in Marion, he delivered to admiring visiting groups speeches which were published by the press throughout the country.

*The campaign:
Harding as a campaigner*

¹ The platform pledged "the coming Republican Administration to such agreements with the other nations of the world as shall meet the full duty of America to civilization and humanity, in accordance with American ideals, and without surrendering the right of the American people to exercise its judgment and its power in favor of justice and peace."

² The Democrats stated their position on the League and the Treaty in the following terms:

"The Democratic Party favors the League of Nations as the surest, if not the only practicable means of maintaining the peace of the world and terminating the insufferable burden of great military and naval establishments."

"We advocate the immediate ratification of the treaty without reservations which would impair its essential integrity; but do not oppose the acceptance of any reservations making clearer or more specific the obligations of the United States to the League associates."

In these speeches he dished up pleasing platitudes and steered clear of all commitments that might antagonize any group of Republicans. The question of the League he could not ignore, but by the use of confused phraseology and by a frequent change of position he was able to appear both for and against a league of nations. So successful was he in this attempt to face both ways that he won in the main the earnest support of the Republicans who were opposed to the League and of those who were in favor of it. Borah and Johnson and other irreconcilables advocated the election of Harding on the ground that it would mean the death of the League. On the other hand, a group of thirty-one leading Republicans, including Hughes, Taft, and Hoover, issued a statement to the effect that the election of Harding offered the only prospect of American participation in a league of nations.

*Cox as a
campaigner*

Cox, the Democratic candidate, however, took a definite stand in favor of the Treaty and the League and tried in every way to make it the chief issue of the campaign. On extensive speaking tours he earnestly urged our acceptance of the League and the immediate ratification of the Treaty. He was unable, however, to arouse enthusiasm for his cause. Even his strenuous advocacy of a progressive policy in home affairs seemed to fall on deaf ears. Apparently, the country had not only slipped back from idealism to a cynical realism but had also backslidden from progressivism to standpattism. Cox's vigorous campaign was therefore not "in tune with the times." The people did not heed the call to move forward and possess the Promised Land; rather they preferred to return to the fleshpots of Egypt. Tired of the manna of idealism, they wanted Harding and the Republican Party to lead them back to the comforts of realism. Harding, normally a standpatter with isolationist tendencies, was well suited to act this role, for his equable temperament was seldom, if ever, seriously disturbed by idealism and the crusading spirit. His conservative attitude was clearly and brilliantly expressed in one of his front-porch speeches when he said that what the country needed was "not heroism but healing, not nostrums but normalcy, . . . not surgery but serenity, . . . not submergence in internationality but sustainment in triumphant nationality."

*Result of
the election:
Reasons*

The Republicans made the most of the circumstances in their favor. They assailed the League of Nations, but they reserved their main fire for an attack on Wilson's foreign and domestic policies. From the beginning to the end of the campaign his character and public record were assailed with ridicule, bitter sarcasm, and misrepresentation. The Republicans were aided in their fight by the high cost of living and the increase in unemployment. But

most important of all was their ability to capitalize on the feeling of disillusionment regarding the war; the reaction against idealism; the revival of isolationism; the dissatisfaction with Wilson's policy and methods; and the longing for change. Most of the alien-born voters, together with the Irish-Americans, were against Wilson because his stand in the Peace Conference had, as they considered, been unfavorable to their homelands. The outcome of the election was a landslide in favor of the Republicans. The electoral vote was 404 for Harding and 127 for Cox. The popular vote for Harding was about seven million more than that for Cox.

President Wilson's hope that the election would be "a great and solemn referendum" on the Treaty and the League was not realized, for the decision was on other issues. Harding, however, regarded his election as a mandate from the people to repudiate the League, and after the election he declared that the League was dead. Later, after his inauguration, he announced that he had "definitely and decisively" rejected the League. He did not propose, he said, to enter "by the side door, back door, or cellar door."

*Significance
of the
election*

As has already been seen, a depression did not come immediately after the war, as had been expected. The period of postponement was not as long in agriculture as it was in industry. In a year or two the European countries began to get on their feet and to produce more and more of the goods they needed. Therefore, the foreign demand for American manufactures and farm products declined and prices dropped. The result was a business recession which lasted for about a year (1920-21) in industry and much longer in agriculture, with the usual symptoms of depression—unemployment and business failures. Signs of trouble first appeared in Southern agriculture when, in the winter of 1919-20, cotton dropped rapidly from thirty-eight cents a pound until it reached eighteen in the spring of 1920. In the grain-producing West and North the agricultural depression started in the spring of 1920, when the government guaranty of wheat prices ended. A year later the prices that farmers were receiving for their staples, including hogs and beef cattle, were less than half of what they had received in the previous spring. Although agriculture recovered slightly after this, it did not return to a flourishing condition during the twenties (pp. 575 ff.).

*Depression;
curtailment
of U.S. loans
and pro-
tective tariff
important
factors*

The depression in business and industry began in the summer of 1920 with the failure of numerous country banks which had lent money to farmers on land, livestock, and crops during the period of inflated prices. The manufacturers of agricultural machinery, the fertilizer companies, and the advance merchants found themselves unable to meet their obligations even by foreclosing

the mortgages on the farm lands which they had taken as security. The curtailment of the foreign market because of the discontinuance of loans by the United States and the operation of the tariff had acted as a curb on industry. As a result of this discouragement to industry there were about 9000 business failures in 1920 and more than 19,000 in 1921, and three and a half to four million men were out of employment. These figures are not, however, an accurate measure of the industrial depression, for during this period wages were reduced, industry and business were frequently operated at a loss, and stockholders failed to receive their accustomed dividends. The panic was still in effect when Harding succeeded to the Presidency.

*Return of
railroads
to owners
and disposal
of Federal
merchant
marine*

Before Wilson's Administration had come to an end some steps toward putting the country on a peace basis had been taken despite the lack of full co-operation between Congress and the Administration. By one important measure the railroads were returned to their owners (pp. 565 ff.) and by another the United States merchant marine was transferred to private ownership (p. 567).

CHAPTER XXVIII

The Fabulous 'Twenties

THE decade of the 'twenties opened and closed in economic depression but contained seven years of unprecedented expansion of private enterprise, with conservative politics reigning triumphant and business speculation finally running riot. It was the period when radio broadcasting was launched, nonstop flights were first made across the Atlantic, and "silent" motion pictures began to yield to "talking" movies. Automobiles came into common use, reaching a total number surpassing twenty-three million, or enough cars for the total American population to take a ride at one time. This called for an extensive construction and improvement of highways. Production and consumption of electricity expanded rapidly, thanks largely to the establishment of power plants at river dams, and this development brought on new business in numerous kinds of electrical appliances for home and shop. Rayon seriously invaded the cotton market, and respectable women found the lipstick a necessity.

*A period of
spectacular
expansion
and conser-
vative politics*

It was an era of bigness in many ways. The New York stock exchange had multiple-million-share days. Billions were loaned or invested abroad by private interests. The Dempsey-Tunney fight at Chicago in 1927 drew a gate of more than two million dollars. "Racketeer" came into the vocabulary and sometimes denoted a multi-millionaire like Al Capone. The Ku Klux Klan enrolled more than four million members, outnumbering the American Federation of Labor, whose unions lost at least a million in postwar years. Unemployment, chiefly technological, reached two million at the peak of prosperity. And a postwar tabloid newspaper in New York pushed its circulation above a million. These were features of America's dynamic quest for normalcy.

*Big enter-
prises in
business,
sports, and
crime*

PRESIDENTS AND PARTIES

President Harding, the handsome and affable former editor of Marion, Ohio, launched his administration with a supporting caste of officers who were to become conspicuous in various ways in this conservative era. Vice-President Coolidge was to succeed to the Presidency upon the death of Harding, and Herbert Hoover, the Secretary of Commerce, was to succeed Coolidge when the latter

*Launching
the Harding
Administra-
tion; the
Cabinet and
other
officials*

did "not choose to run" in 1928. Charles E. Hughes, the Secretary of State, was to become Chief Justice of the United States Supreme Court. In financial circles, Andrew W. Mellon was soon to be called the "greatest Secretary of the Treasury since Alexander Hamilton." Henry C. Wallace, the Secretary of Agriculture, was to die in office after setting up the important Bureau of Agricultural Economics



Courtesy of Brown Brothers
WARREN G. HARDING.



Courtesy of Brown Brothers
CALVIN COOLIDGE.

to broaden the scope of service to farmers. Will H. Hays, the Postmaster General, was to resign to become the lenient censorship "czar" of the motion picture industry. Secretary A. B. Fall, of the Department of the Interior, was to serve a term in prison for his part in the fraudulent leasing of government oil lands. Harry M. Daugherty, Attorney General and the manager of the Harding preconvention campaign, was to be forced from office and experience two mistrials on charges involving the administration of the Alien Property Custodian's office. But Colonel T. W. Miller, the Alien Property Custodian, was not to get off with the same ease, for he was sentenced to eighteen months in prison. Harding's administrator of the Veterans' Bureau, Charles R. Forbes, was to go to Leavenworth for fraud.

The postwar let-down, the reaction from Wilsonian idealism, and the worship of acquisitive enterprise were accompanied by a series of scandals which threatened to wreck the Harding Administration. Relentless investigations into collusion between certain Federal officials and private interests for tapping the funds of the Treasury or the resources of the public domain were led or supported by a group of liberal Western Senators, including Thomas J. Walsh and Burton K. Wheeler of Montana, the elder Robert La Follette of Wisconsin, Smith W. Brookhart of Iowa, and George W. Norris of Nebraska. The exposures created popular sensations, caused official resignations, and resulted in numerous court trials. The Teapot Dome affair was the most conspicuous. Under previous administrations public lands at Elk Hills in California and Teapot Dome in Wyoming had been set aside as naval petroleum reserves. Harding, influenced by the corrupt and wily Secretary of the Interior Fall, transferred custody of these lands from the Navy Department to the Interior. In 1922 Fall leased oil land in the California area to Edward L. Doheny, who secretly loaned him \$100,000 and openly agreed to erect storage tanks at Pearl Harbor for the Navy, to make the transaction appear legitimate. Secretary Fall leased Wyoming lands to Harry F. Sinclair, an oil magnate, from whom both Fall and the Republican campaign fund had benefitted. Annulment of the leases on the ground of fraud was eventually upheld by the Supreme Court, and Fall was sentenced to Federal prison for several months. Sinclair served two short terms, one for contempt of the Senate for refusing to answer questions in a Senate investigation and another for contempt of court because of his employment of private detectives to shadow the jury before which he was being tried. Federal prosecutors failed to win conviction of either Sinclair or Doheny before juries, and Senator Norris suggested that for the sake of consistency there should be a law "that no man worth \$100,000,000 should be tried for crime."

*The Teapot
Dome and
Elk Hill
oil scandals*

In the shadow of rumors and pending revelations of unprecedented graft, Harding was stricken while returning from Alaska in 1923 and died at San Francisco on August 2 of a combination of ailments. He was thus spared the humiliation of seeing intimate friends and appointees brought to the bar of justice, and his party was relieved of having to answer for scandals in the election campaign of 1924. Vice-President Coolidge, who was visiting his father in his native Vermont village, stood before a lamp in the early hours of the morning and took the Presidential oath as administered by his father, a local magistrate. The unique ceremony was widely reported. Then he came on to Washington where he privately took

*The death of
Harding;
Coolidge
becomes
President*

the oath again, this time before a Federal judge, to make sure of legal validity.¹ The imposing Harding memorial, erected at Marion, Ohio, was to wait several years for a formal dedication as a result of the scandals that involved the late President.

*Coolidge, the
Republican
nominee in
1924*

The Republicans were able to nominate the incumbent for President in 1924, to emphasize his personal honesty, and to utilize the slogan, "Keep cool with Coolidge." For his running mate they chose Brigadier General Charles G. Dawes, a Chicago banker, who had been serving as Director of the Budget and, during the war, was purchasing agent in Europe for the American Expeditionary Forces. It did not seem necessary for Coolidge to carry on an active campaign. Supporters stressed his rural Yankee virtues and the returning prosperity which, they asserted, was partly due to higher tariffs and lower internal taxes.

*Democratic
factionalism;
John W.
Davis, a
compromise
candidate*

The Democrats aided the Republicans by displaying the most bitter factionalism in their national convention. They met at Madison Square Garden in New York from June 24 to July 10, with bickerings and balloting broadcast by radio. They were sharply divided over issues involving prohibition and the Ku Klux Klan. The leading candidates for the nomination when the convention opened were William G. McAdoo, son-in-law of Woodrow Wilson and wartime Secretary of the Treasury, and Governor Alfred E. Smith, of New York. The prohibitionists and Klan sympathizers fought Smith, a Catholic and a Tammany man. They supported McAdoo, a native of east Tennessee. The rival forces battled through a hundred ballots, and finally the convention selected a compromise nominee, John W. Davis, a leading New York lawyer with Morgan connections, a former Congressman, and a former Ambassador to Great Britain. To balance the ticket the convention chose for Vice-President Charles W. Bryan, governor of Nebraska and younger brother of the distinguished "commoner." The platform did not fail to make the most of the scandals and general corruption of the Harding Administration. (Good Democrats were frequently heard, after this, to greet one another with the pun "I trust that you and your family are oil right.") A lower and more scientific tariff was demanded, monopolies were viewed with alarm, the depressed condition of agriculture was noted, and a better deal for labor was promised. The platform also urged that railroad rates be adjusted and that the nitrate plants at Muscle Shoals be put into full operation. As for the League of Nations, it was a good idea, but let the question of the United States joining it be submitted to a popular

¹ H. M. Daugherty, *The Inside Story of the Harding Tragedy* (New York, Churchill Co., 1932), pp. 279-80.

referendum. The platform was lifeless and the candidate was as conservative and as much of a representative of big business as was Coolidge. The only vital difference between the Republican and Democratic Parties was that one was in and the other was out.

Such agreement between parties indicated that the economic skies seemed reasonably clear to the leaders of both groups. Actually there was a cloud in the South and West considerably bigger than a man's hand even at this time and destined eventually to constitute a good share of the cyclone that blew over the country in 1929 and later. While there was feverish industrial and financial prosperity, agriculture had never recovered from the depression of 1920-21. On the contrary, the farmers who paid high prices for their equipment and supplies and received low prices for their products were rapidly sinking to the condition their fathers were in during the latter part of the last century. They were in a fighting mood and, aided by organized labor, they launched the Progressive Party under the leadership of Robert M. La Follette, which bore a close resemblance to the old Populist Party. La Follette himself became the nominee for President and Senator Burton K. Wheeler, the Montana Democrat, was nominated for Vice-President. This third party advocated tariff reduction, stricter regulation of trading in futures in farm products, banking reform, liberal labor legislation, public ownership of water power, and revision of railway freight rates on the basis of prudent investment, with the claim that government ownership of the roads was the only solution of the transportation problem. Its platform called for many other measures of social and political change, including limitation of the power of the Supreme Court to hold acts of Congress unconstitutional. It opposed military conscription and insisted that declaration of war be decided by a popular referendum. The Progressive Party polled nearly five million votes, running ahead of the Democratic ticket in several states of the West and Middle West. It made a creditable showing in large urban centers, especially Cleveland.

A new Progressive Party is formed under the leadership of La Follette

The "attack" on the Judiciary tended to alarm and solidify the conservatives who emphasized voting for Coolidge as security against a three-cornered deadlock and choice by Congress, where the LaFollette group would exercise a balance of power. The electorate was apathetic, with less than fifty-two per cent of the eligible voters going to the polls. Coolidge's vote exceeded fifteen million, a popular majority of the total. His electoral vote of 382 left only Wisconsin's thirteen for La Follette, with Davis carrying only the Solid South and Oklahoma for a score of 136.

A decisive victory for the Republicans

The Coolidge Administration was one of comparative calm, with

*The quiet
administra-
tion of
Calvin
Coolidge*

official corruption eliminated and industrial and financial prosperity expanding. It was marked by harmonious relations between the Republican President and the Republican Congress, except when bipartisan blocs gave trouble, particularly in seeking measures for farm relief. The Cabinet heads had virtually free rein in administering their departments and Coolidge, according to "Ike" Hoover, performed less labor than any other President whom the latter had known in his forty years as chief usher in the White House. The champion worker and fact-collector was Secretary Hoover, who elevated the Department of Commerce to a role of major importance, expanding its budget, office space, and services.

RECOVERY AND PROSPERITY

Harding succeeded to the Presidency during the worst phase of the depression of 1920-22; and Coolidge succeeded Harding before business and industry had fully acquired that condition which the latter characterized as "normalcy." To the conservative President and his advisers, normalcy meant more than recovery; it meant prosperity—which eventually became so abnormal that it ran a temperature.

*The Harding-
Coolidge
program for
prosperity*

The Harding-Coolidge program for recovery and prosperity consisted of four principles: the application of business methods in the management of government; the withdrawal of government from business; government aid to business; and the subordination of organized labor. There were other factors, having little to do with government policy, that were to help create the prosperity of the 'twenties.

a. THE APPLICATION OF BUSINESS METHODS IN GOVERNMENT

*Establish-
ment of the
budget
system*

One of the most outstanding needs for the conduct of government in a business-like fashion was a national budget system. Wartime expenditures had increased the demand for a national budget system, which had first been recommended by the Commission on Economy and Efficiency appointed by President Taft in 1911. Wilson had favored a budget system but, when Congress passed a bill providing for one, he vetoed it because he believed that the accounting provisions making the Comptroller General removable only by Congress were an unconstitutional encroachment upon the powers of the Executive. Harding, however, accepted this feature, and in June, 1921, the new Budget and Accounting Act went into effect. Charles G. Dawes was the first Director of the Bureau of the Budget, which was to become a rigid clearinghouse for handling and consolidating all requests by administrative agencies for funds to be

appropriated by Congress. The office was later transferred from the Treasury Department to the Executive Office of the President, who transmits the annually prepared budget proposal to Congress. To facilitate better budget practice, Congress in 1921 centralized the handling of appropriations in the Appropriation Committee in each house, instead of relying on a number of separate committees for this work. The General Accounting Office took over and expanded several auditing and control functions of the Treasury Department. Its first head was Comptroller General John R. McCarl, whose fifteen-year term and independent power to pass on the legality of administrative disbursements were to bring him into conflict with many top officials, including President Roosevelt. This office, with a large staff of experts and lawyers, became the "watch-dog of the Treasury."

Of even greater importance in putting "more business in government" was the "Mellon Plan" of public finance, so popular in this decade, particularly among financiers and industrialists. This plan consisted of retrenchment in government expenditures, the lowering of taxes, especially on incomes, and the reduction of the national debt, all primarily with the view of encouraging investment in private enterprise. Mellon maintained that high tax rates "tend to destroy individual initiative and seriously impede the development of productive business." The general features of his plan prevailed in spite of the opposition of the agrarian insurgents. Congress, approving this philosophy, reduced or removed wartime levies, lowered the estate tax, and cut income tax rates drastically. In 1926 the tax burden on an individual million-dollar income was less than one third of what it had been in 1921. The Federal debt was reduced from \$24,000,000,000 to a sum below \$17,000,000,000 by 1930. The Mellon policy seemed like a green light for the financial expansion of business, and critics subsequently pointed to it as a factor contributing to the wave of business speculation at the end of the 'twenties. Reduction in Federal expenditures, however, did not meet expectations; and expenditures and indebtedness of state and municipal governments moved upward with an expansion of schools and highways and with the practice, on the part of the states, of matching grants-in-aid from the United States government.

*The Mellon
plan of
public
finance*

b. THE WITHDRAWAL OF GOVERNMENT FROM BUSINESS

Taking the national government out of business after the war seemed as important as applying business principles in the management of government. The relinquishment of Federal management of the railroads was the first important step in that direction. This

*The return
of the rail-
roads to their
owners; other
provisions of
the Esch-
Cummins
Act*

step had already been taken by Congress, before Harding became President, in the Esch-Cummins Transportation Act of 1920. This act provided for the immediate return of the railroads to their owners and authorized and encouraged railway consolidation under the supervision of the Interstate Commerce Commission. The operation of the railroads as a unit, while under government management, had revealed certain advantages over a multiplicity of systems, and it was believed that such advantages should be retained by consolidation. The powers of the Interstate Commerce Commission were greatly increased. The act authorized the Commission to evaluate the railroad properties and, on the basis of the evaluation, to establish a fair return to the stockholders and prescribe fair minimum and maximum rates. The Commission was also given jurisdiction over the issues of railroad securities. A recapture clause of the act ordered the carriers to turn over to the Interstate Commerce Commission one half of all net earnings in excess of six per cent, to be placed in a revolving fund for the benefit of weaker roads. A Railway Labor Board was established by the act for the purpose of mediating labor disputes.

Some provisions of act unworkable or ambiguous

The Commission finally worked out plans for the consolidation of all railroads into about twenty systems; but the railroads, as well as the public, opposed this drastic proposal. The consolidation went forward, however, on a less ambitious scale; and by 1928 the 6000 separate lines had been reduced to 800. While the Transportation Act of 1920 was an improvement over all previous laws for the regulation of railroads, certain provisions proved unworkable or ambiguous. The Railroad Labor Board, for example, was unable to prevent strikes or enforce its decisions, and in 1926 it was abolished and a Mediation Board—just as ineffective—was put in its place. The recapture clause of the act broke down in the face of the opposition of the more prosperous roads—which saw no reason why they should share their earnings with the weaker roads—and it was finally repealed. The valuation of railroad properties encountered difficulties that had to be settled by court decision. In establishing rates that would give a fair return to the stockholders, the Commission proposed to estimate values on the basis of the cost of reproduction in 1914, while the railroads insisted on the cost of reproduction at the time of evaluation as a correct basis for evaluation. This important issue was finally settled in 1929 by a decision of the Supreme Court which sustained the position of the railroads.

An abundance of difficulties, mistakes, and failures was experienced in getting the government out of the shipping business. While the government only managed the railroads during the latter part

of the war, it owned and managed the huge fleet of merchant ships which it had built during the war. To get this fleet into private hands meant that the ships would have to be sold. This was provided for under the Merchant Marine Acts of 1920 and 1928; and government vessels were sold to private interests at ridiculously low prices. To encourage the development of the merchant marine under private ownership, large funds were established by the Act of 1928 from which loans were made to American shipowners, favorable mail contracts were granted, trade with our possessions was restricted to American shipping as was coastwise traffic, and other concessions were provided. Nevertheless, American shipping declined, while gains were made by Great Britain, Germany, Japan, and other countries. There were several causes for the decline of the American merchant marine. Better wages and working conditions at home than aboard American ships made it difficult to man the fleet. At the same time, however, unemployment and poor working conditions in rival countries made it easy for them to obtain whatever seamen they needed, at wages far below those paid American seamen, which meant low operating costs. The greater cost of shipbuilding in the United States than in other maritime countries also added to the expense of operating American ships; and the result was that even American shippers often found it much cheaper to have their freight carried on foreign ships. In the 'thirties, however, because of the growing threat of war in Europe, the United States checked the decline of the merchant marine and even strengthened it by subsidy and other means. Doubtless, too, the depression and unemployment made it easier and more economical to man and operate American ships.

*The disposal
of the gov-
ernment
merchant
marine*

The government was unable to dispose of its large power plant and other facilities at Muscle Shoals on the Tennessee River in Alabama except on unsatisfactory terms, with Henry Ford as the conspicuous bidder. Efforts by Senator George Norris of Nebraska and others to continue and expand the wartime policy of government development of hydroelectric power there and elsewhere on the Tennessee River were of no avail until the Tennessee Valley Authority (TVA) was established in the next decade.

*Inability
of the gov-
ernment to
dispose of
its power
plant at
Muscle
Shoals*

The elimination of government from business involved more than the return of government-controlled property to its owners or the sale of government property to private owners. It involved the removal of all effective Federal regulations of and checks to the operation of private enterprise. Public opinion would not sustain drastic legislative changes in the body of restraining and regulatory laws—such as the Sherman Antitrust Act, the Clayton Antitrust

*Role of the
courts and
the com-
missions in
removing
government
regulation
of business*

Act and the Federal Trade Commission Act; but the same objective could be more subtly attained by the interpretation and administration of these laws in a spirit in conformity with the philosophy of the administration. This could be accomplished by placing on the Federal Courts and on the regulatory commissions men who shared wholeheartedly the political and social philosophy of the President and the conservative leaders of his party.

This practice of "packing" the courts and governmental agencies was as old as the Federal government itself. Every political party that had held the reins of government for any length of time had so reconstituted the Federal judiciary that the majority of judges shared the views of the dominant element of that party. This policy—with reference both to Federal agencies and courts—was to continue during the long Democratic regime which began in 1933 (pp. 616 ff.). The Federal Judiciary was thus reconstituted under the Harding-Coolidge regime and was far more in harmony with the temper of the McKinley era than with that of the progressive era of Theodore Roosevelt and Woodrow Wilson. It consistently upheld the principle of keeping the government out of business and of placing few restrictions upon the operation of business.

The era of relaxation was heralded by the Supreme Court decision in 1920 refusing dissolution of the United States Steel Corporation in a long pending suit. Although the Court found that the corporation and its subsidiaries controlled more than half of the American steel production—and could exercise a dominating influence on prices—it held that it was not a monopoly, that it was not guilty of conspiring with other steel manufacturers to restrain trade, and that it could not be dissolved because of mere size. It further held that dissolution would injure public interest. The Court, in subsequent decisions, upheld the legality of monopolistic trade associations and joint sales agencies of corporations—so ardently fostered by Secretary of Commerce Hoover.

In keeping with its conviction that government regulation of business should be reduced to a minimum, the Court showed a strong and effective disapproval of government entry into the field of social legislation. In 1922, for example, it declared unconstitutional a Federal law designed to place restrictions on child labor by means of a tax levied on interstate shipments of goods produced in industries employing children under a specified age. Again in 1923 the Court held a District of Columbia minimum wage law for women unconstitutional on the grounds that it impaired the freedom of contract. In keeping with this decision reasserting the inviolability of contract, the Supreme Court upheld the legality of the

*"Packing"
the courts
and com-
missions,
an old
practice*

*The Supreme
Court upholds
monopolistic
practices*

*Judicial
disapproval
of social
legislation*

"yellow dog contract" by which an employee agreed with his employer not to join a union. Even more characteristic of the spirit and philosophy of the majority of the Court was its treatment of the Sherman Antitrust Act and the Clayton Antitrust Act. It ignored those provisions dealing with business combinations; but it deviscerated those in the Clayton Act dealing with labor. Despite the clause in the Clayton Act prohibiting the use of injunctions in labor disputes except under the most rigid restrictions, the Court issued such writs freely; it declared illegal a secondary boycott, which had apparently been allowed under the Clayton law; and it sanctioned the prosecution of a labor union under the antitrust laws as a combination in restraint of trade, in direct violation of a clause in the Clayton Act specifically exempting labor unions from such suits.

The several commissions, as was to be expected, interpreted the regulatory statutes as freely as the Supreme Court interpreted the antitrust laws; and most of the old practices which these statutes prohibited were allowed to continue. The Federal Trade Commission, while interested in breaking up unfair trade practices, showed no disapproval of interlocking directorates or the labyrinthian holding companies such as were springing up in the growing field of utilities. On the contrary, the Commission co-operated with the Department of Commerce under Herbert Hoover in its promotion of the great trade associations, which were monopolistic in essence.

The relaxation of government regulation by the regulatory commissions

C. GOVERNMENT AID TO BUSINESS

The doctrine of *laissez faire* as construed in the United States, and especially by the conservative leaders of the Republican Party, was only half *laissez faire*: there should be no government competition with private business, and there should be no government interference with business—in essence, no government regulations. This is where the *laissez faire* doctrine ended, however, and a more positive one began—the doctrine of government aid to business and industry. In pursuance of this principle the Harding Administration placed the American market at the disposal of American business and industry by the establishment of the highest protective tariffs in the history of the United States. Congress, called into special session in 1921, passed an emergency tariff act placing high duties on wheat, corn, meat, wool, sugar, and other agricultural commodities—products so cheap and plentiful that they could not be protected—increasing duties on textile products, providing protection for chemicals and dyes from European competition, and authorizing a special "dumping duty" against countries seeking to

The protective tariffs secure for American industry a monopoly of the home market

unload surplus products in the United States. The Fordney-McCumber Act of 1922, which superseded the emergency law of 1921, continued tariffs for depressed agriculture and provided more protection for American manufacturers than did the Payne-Aldrich Act of 1909—the highest tariff up to that date. Negligible use was made of its flexible provision authorizing the President to alter rates as much as fifty per cent upon recommendation of the Tariff Commission. This law was replaced in the depression year of 1930 by the Hawley-Smoot Act, which raised the tariff level still higher. Both the Harding and the Coolidge Administrations encouraged the making of foreign loans and investments—finally estimated at about \$16,000,000,000—which enabled the European and South American countries to purchase American products.

The Department of Commerce renders great service to business

The Department of Commerce under Hoover's direction gave business and industry positive aid of great value. As an engineer and efficiency expert, Hoover deplored the wastefulness of competition; and he advocated the combination of all individual companies or corporations of each industry into a trade association for the purpose of pooling information, agreeing on standardization of products, labor policies, prices, and a score of other matters which would tend to lessen competition. Under the encouragement of the Department of Commerce and the Federal Trade Commission, nearly every important industry in the country organized a trade association. Such associations signalized their willingness to act in concert on all vital matters by drawing up codes of fair practices within each industry; and, when the "NRA" was established in 1933 under Roosevelt, many of these codes were accepted practically without change. The Department of Commerce did much to encourage standardization in industry, and it was estimated that several billions of dollars were saved in production costs by increased standardization during Hoover's administration of the department. Hoover, co-operating closely with the State Department, sent commercial agents over the world to promote foreign business, thus supplementing the work of the consular service. In these and many other ways he placed the Department of Commerce at the service of business and industry.

d. THE SUBORDINATION OF ORGANIZED LABOR

The Supreme Court restricts the legal rights of labor unions

The final item in the Republican program for business recovery and prosperity was the subordination of organized labor, which had increased in numerical strength and prestige during the Wilson Administration, and especially during the war when the demand for labor was so great. The Supreme Court's invalidation of mini-

mun wage and hour laws and its sanctioning of the "yellow dog contract" (pp. 568-9), although aimed primarily at removing government control over business, also had the effect of weakening the position of labor. But the Court's interpretation of the labor clauses of the Clayton Antitrust Act, particularly those dealing with boycotts and injunctions, had for its chief objective the restriction and disciplining of labor unions. As previously observed, the presence of Communists and other radical leaders in the series of strikes during the early postwar years made the government's labor policy more palatable to the general public than it otherwise would have been. The cutting edge of this policy was the Federal injunction to break strikes.

This policy was foreshadowed in the railroad shopmen's strike of 1922. On July 1 of that year 400,000 shopmen and switchmen walked out, against the orders of their national officials, in protest against a twelve and a half per cent wage cut. The Railroad Labor Board, which had agreed to the cut, denounced the strike as a wild-cat affair and encouraged the railroad companies to organize company unions and to deprive the strikers of all seniority rights unless they returned immediately to work. President Harding attempted to settle the strike by arbitration, but the carriers refused to agree to restore the seniority rights of the strikers, and the latter refused to return to work unless these were restored. Attorney General Daugherty then obtained an injunction from Federal Judge James Wilkerson of Chicago against further strike activities. This, it may be observed, was obtained under the Sherman Antitrust Law forbidding combinations or conspiracies in restraint of trade, although labor unions had been exempted from the operation of that law by the Clayton Antitrust Law. Needless to say, the shopmen returned to work. Later strikes were to be settled in a similar fashion.

Although the policy of the government during the 'twenties weakened the position of the unions in collective bargaining, the labor policy of business and industry was calculated further to lessen the power of organized labor. This policy was an elaborate paternalism aimed at convincing the employee that the employer was a better and more effective friend than his union. In pursuance of this policy corporations established welfare, recreational, educational, and religious facilities, adopted retirement and pension systems, sold shares to their employees and arranged other profit-sharing plans, and finally organized company unions with grievance committees to deal with management. The effectiveness of this paternalism may be roughly evaluated by the growth of company unions. At the beginning of the period such unions were almost nonexistent, but by

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1930 company unions had a membership of about 1,500,000 compared with a membership in the AFL unions of hardly more than 2,500,000.

Labor shares to some extent the prosperity of the period

Organized labor had declined in strength and independence, but labor as a whole had shared to some extent in the industrial prosperity of the time. In terms of cost of living, it is estimated that the average weekly earnings in industry rose from an index figure of 92.1 in 1922 to 104.7 in 1929.¹ Although there were 5,000,000 families, composed chiefly of farmers and unskilled workers, who received only an average of \$1000 in 1929, the 8,381,000 wage earners in manufacturing establishments received a total of \$10,910,000,000, or an annual average wage of about \$1300 each.²

e. OTHER FACTORS OF PROSPERITY

Effect of Republican policy

Doubtless the Republican policy of promoting and protecting business in almost every conceivable way contributed greatly to the recovery under Harding and the boom under Coolidge. There were certainly two items in this policy whose effects on the revitalization of industry and business were immediate and tangible. One was the protective tariff, which monopolized the American market for American products; and the other was the approximately \$16,000,000,000 which firms and individuals in the United States invested or lent abroad and with part of which American goods were purchased. In the long run, however, the high tariffs caused other countries to pass retaliatory tariffs and discriminatory trade measures, which reduced foreign markets for American goods. The foreign loans were eventually exhausted, the investments ceased to pay dividends, and to that extent the export of American products was further diminished.

The development of new industries: The automobile and its auxiliary industries

The expansion of older industries and the rapid development of new ones were of more importance than any other causes that contributed to the prosperity of the 'twenties. Of these, the automobile industry was the most important. While it had become a major industry by the end of the war, its development during the next ten years was phenomenal. It became the greatest industry of the country or the world. The number of automobiles manufactured in 1920 was 2,227,000; in 1925 it had increased to 4,428,000; and in 1929 it had reached a total of 5,622,000. The number of automobiles in use increased from 9,000,000 in 1918 to 26,500,000 in 1929-30, about 23,000,000 of which were passenger cars. Before the

¹ Foster Rhea Dulles, *Twentieth Century America* (Boston, Houghton Mifflin Co., 1945), 262.

² *Ibid.*

end of the decade about 4,000,000 men were employed in connection with the manufacture, operation, and repair of automobiles. The impact of the automobile upon other industries was phenomenal. During the decade of the 'twenties nearly 90,000 miles of hard-surface roads were built at an expense of about \$1,500,000,000, divided about equally between state and Federal governments. Land booms in Florida and in California could be traced to the development of the automobile and to the tremendous crop of tourists who spent a billion dollars, for example, in Florida in 1926. The allied industries were greatly stimulated by the development of the automobile industry. Sixty per cent of the rubber, about fifty per cent of the cut glass, and sixty-five per cent of all leather upholstery manufactured in the country were used in the production of automobiles. By the end of the decade more than 7,000,000,000 gallons of gasoline and a proportionate amount of lubricating oil were being consumed annually; and filling stations and garages for the servicing and repair of cars were almost as numerous as the huge advertising signs along the roadside which despoiled the beauty of the landscape.

The radio was hardly more than a toy in 1920, but at the end of the decade there were 13,000,000 receiving sets, and it was estimated that one family in three owned a set. In 1920 the first two broadcasting stations were established—KDKA in East Pittsburgh and WWJ in Detroit. Within less than ten years, however, there were more than 600 such stations. The annual sale of radios and their accessories rose from \$5,000,000 in 1922 to about \$600,000,000 in 1929; but the economic importance of the radio industry was not as great as the high-pressure advertisement that consumed so much of the broadcasting time.

*The radio;
from a toy
to a
necessity*

The motion picture during the period of 1914-1930 developed a series of poorly equipped, amateurish concerns scattered here and there to a \$2,000,000,000 industry controlled by a few corporations centered in Hollywood. In 1930 there were probably 25,000 picture theaters with a weekly attendance of 100,000,000 and an annual gross income from admissions of more than \$1,500,000,000. The manufacture of electrical appliances, refrigerators, and machinery developed as rapidly as the motion picture business.

*The motion
picture
business*

People were convinced by advertisement and high-pressure salesmanship that they must have all these new products; and the way was made smooth and easy to the customer by the universal adoption by business and manufacturers of the installment system of sale and purchase. "A dollar down and a dollar a year" was the whimsical popular characterization of the usual manner of buying

*The install-
ment system;
purchasing
beyond the
means of
payment*

everything from electric fans to automobiles. Of course installment buying was nothing new, since the Federal government itself had instituted this method of disposing of the public domain in 1800; and land companies and speculators had nearly always bought and sold their lands in this manner. It had not been widely used, however, before the First World War in the purchase of consumer goods, except furniture, stoves, and Ford cars. Beginning in the early 'twenties practically every industrial product could be purchased on long-term credit with small payments. The result was that all too often families with incomes affording the barest subsistence were convinced by their own desires and the hypnotic persuasiveness of the ubiquitous salesmen that they could own a car, a radio, a piano and furnish their houses with the new equipment. The only requirement, except in cases where the prospective customers had already piled up numerous unpaid obligations, was a small down payment and the signature of the purchaser on numerous papers filled with such words as "whereas," "notwithstanding," and "repossess." In this fashion a huge aggregate of private debts was being created during the 'twenties, which would eventually have to be paid or industry would have to curtail production.

THE RAPID GROWTH OF GREAT CORPORATIONS

Concentration of wealth in corporations; diffused ownership, centralized control

Under the encouragement of government and in response to economic and social forces that stimulated combinations and monopolies, the large corporations were in a dominant position by 1929. During the 'twenties thousands of firms and companies disappeared through mergers, while giant networks of operating utilities were brought under the control of holding companies. By 1929 about 200 of nearly 500,000 nonfinancial corporations owned about half of all corporate wealth and more than one fifth of the total national wealth. With few exceptions, the ownership of the great corporations was widely diffused, the United States Steel Corporation, for example, having more than 174,000 holders of common stock in 1931. But the actual management of these corporations was highly concentrated in a small group of directors and executives, not in the mass of legal owners. This widening gulf between decentralized ownership and centralized private control of far-flung operating systems was analyzed with disturbing thoughts by certain critics, such as W. Z. Ripley of Harvard, who in 1927 issued prophetic warnings in his *Main Street and Wall Street*.

New fields of corporate enterprise

The average American consumer might come in contact with an enlarged corporation and its standardized products in various ways. Besides utilities and manufacturing concerns, there were chain-

store systems, some of which spread across the continent. The motion picture industry, with its growing popular appeal, was highly centralized as a large-scale production enterprise. Chains and mergers in the newspaper field meant fewer papers for readers and advertisers to patronize in the metropolitan centers as well as in the smaller cities, and the nation-wide syndicated column tended to overshadow the local editorial for millions of readers. Radio broadcasting, with local outlets and variations, inevitably came under the influence of a few national systems. In many ways the demands of both applied science and economics seemed to call for the cultivation of bigness and standardization. This was exemplified by the giant skyscraper in its geometrical form, which became America's typical cathedral of business, strongly supported with steel and perhaps also with bonds, both the output of far-flung private enterprise. Al Smith, after his defeat for President in 1928, became the president of the company owning the Empire State Building in New York City, a new structure which, for a while, proved too high and spacious for full occupancy and suggested a reverse trend toward physical decentralization.

THE EMBATTLED FARMERS AGAIN

Agriculture had little or no part in the feverish prosperity of *Loss of European*